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Nato: hint of hope for détente, Page 3

DOLLAR CLIMBS TO FRESH PEAKS

Sterling slides as concern over oil price grows

BY PHILIP STEPHENS IN LONDON

STERLING TUMBLED against the world's leading currencies yesterday as the dollar climbed to new all-time highs on foreign exchanges.

The pound, depressed by fears of lower oil prices, fell below $1.42 and, for the first time in recent weeks, also took a battering against the D-Mark and other European currencies.

Its trade-weighted index, which measures its value against a basket of currencies, fell to 82.0 at yesterday's London close, down from 82.5 on Monday.

The dollar's latest surge, fuelled by sentiment that the continuing boom in the U.S. economy will push interest rates higher, brought it to a 10-year high against the D-Mark and record levels against the French franc and Italian lira.

Foreign exchange managers forecast that with no signs of a slowdown in the U.S. economic recovery, the Federal Reserve Board's policy-watching Open Market Committee might move to tighten credit at its meeting next week.

The British authorities have so far taken a fairly relaxed view of sterling's weakness, seeing it as a reflection of the dollar's strength rather than an indication of lack of confidence in the pound.

The Bank of England's intervention on currency markets has been limited to what it calls smoothing operations, following the "minimalist" approach of Mr Nigel Lawson, the Chancellor of the Exchequer.

Foreign exchange managers said that the Bank of England had intervened yesterday afternoon when reports that the British National Oil Corporation (BNOC) planned to cut its crude price by one dollar sparked a flurry of sterling sales.

BNOC said it had made no decision on pricing for the next quarter, but the markets remained unconvinced that present crude oil prices could be maintained.

Any significant across-the-board fall in sterling against the dollar and European currencies, although perhaps welcome news for exporters, might have a worrying impact on the British Government's inflation target.

In Whitehall it was being emphasised yesterday that the authorities saw no real crisis, but were keeping a watchful eye on the markets.

Officials acknowledged that the drop in the effective exchange rate index was large, but said it was by no means "catastrophic."

Sterling's fall put some upward pressure on UK interest rates, with three-month eligible bank bills at 8 15/16 per cent from 8 27/32 per cent.

But the authorities stressed that it was far too early to talk of any significant upward move in rates, which might jeopardise the Government's growth targets.

In London, the dollar's trade-weighted index closed at a record 130.8, up from 130.4 on Monday, with the U.S. currency at 2.7680 D-Marks from 27530 and 2.2200 Swiss francs from 2.2125.

Sterling closed at $1.1495, down 1.15 cents on the day, before tumbling further to $1.4155 at the close in New York.

Market reports, Page 33; Money Markets, Page 43

NEWS SUMMARY

GENERAL

American ships fire at Syrian positions

American warships fired at Syrian anti-aircraft positions to the east of Lebanese capital Beirut after U.S. reconnaissance aircraft had been attacked from them, the U.S. embassy said.

Soon afterwards Israeli gunboats pounded the guerrilla camps of Palestine Liberation Organisation leader Yassir Arafat's supporters in the northern Lebanese port Tripoli.

Earlier, two Israeli soldiers on patrol in Sidon were wounded by a bomb.

Lebanese President Amin Gemayel was due in London late last night. Page 20

Gromyko may attend

Soviet Foreign Minister Andrei Gromyko said he was considering attending next month's disarmament conference in Stockholm, which U.S. Secretary of State George Shultz has said he will attend. Conciliatory stirrings, Page 3

London bomb scare

A bomb was found in a bag near the London shopping district of Kensington High Street, and detonated by experts. This has prompted fears of a pre-Christmas terrorist bombing campaign. Police said the IRA was suspected, but a Scottish terrorist group claimed responsibility.

Polish priest held

Polish authorities said Father Jerzy Popieluszko, an outspoken critic of the Government, had been detained after illegal documents were found at his secret Warsaw apartment. Church officials said the authorities had promised to release him last night. Meanwhile workers' leader Lech Walesa gave his Nobel Peace Prize medal to the Catholic shrine at Czestochowa. Glemp postpones visit, Page 3

New Azores deal

U.S. signed a $1.32bn deal with Portugal to renew for seven years its Lajes air base in the Azores in the mid-Atlantic. Page 3

New Turkish Cabinet

President Kenan Evren of Turkey accepted, after a day's delay, a 22-man Cabinet list submitted by Motherland Party leader Turgut Ozal, who took over as Premier. Page 3

Yugoslav sacking

Belgrade radio said Yugoslav Finance Minister Joze Florijancic was being dismissed, but would be found another government post. His replacement is Vlado Klemencic.

Libyan accusation

Libya said that U.S. and Sudanese forces had moved into eastern Chad as part of a plan to occupy and recolonise the central African country.

Tanker capsizes

Greek tanker Pericles, carrying 46,000 tonnes of crude oil and ablaze for four days, finally capsized in the Gulf, off Qatar.

Great Wheel of China

Economics graduate Wang Qingchun, 27, cycled 10,000 km (6,200 miles) from Peking to Tibet to take up a job in the regional education department. It took him 82 days.

Briefly . . .

Mary Renault, 78, historical novelist, died in Cape Town.

Simone Rozes, 63, was named as head of the Cour de Cassation, France's supreme court.

BUSINESS

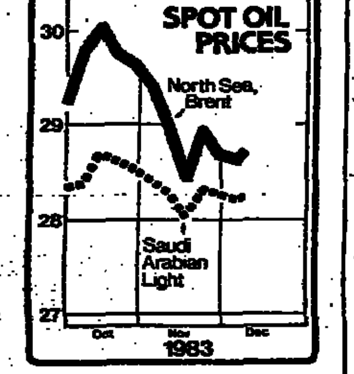
Renault sells back Volvo holding

● RENAULT, the French motor group, has sold back to Volvo for SKr 180m ($22.3m) the 5.6 per cent stake in the Swedish car maker it bought for SKr 80m. It still has 9.4 per cent. Page 20. Aid for French car makers, Page 21

● DOLLAR'S Bank of England trade-weighted index rose from 130.4 to a record 130.8. It reached a 10-year high of DM 2.768 (DM 2.753), a record FFr 8.45 (FFr 8.3925), SwFr 2.22 (SwFr 2.2125), and a record L1,675 (L1,667) but eased to Y236.25 (Y236.5). In New York it closed at DM 2.7675; SwFr 2.2172; FFr 8.4437 and Y235.80. Page 43

● STERLING closed 1.15c down at a record low of $1.4185. It also fell to DM 3.9325 (DM 3.9425), FFr 11.9925 (FFr 12.005), SwFr 3.1525 (SwFr 3.1675) and Y335.5 (Y338.75). It trade-weighted index fell from 82.5 to 82. In New York it closed at $1.4155. Page 43

● GOLD fell $2.25 to $389.375 in London, by $1.5 in Frankfurt to $390, and by $2 in Zürich at $389,75. In New York the Comex December settlement price was $390.3 ($390.4). Page 42



● OIL spot prices improved, following the Opec conference. Brent Blend, the North Sea reference guide, rose $0.07 to $28.725, against the official $30. Saudi Arabian Light gained $0.02 to $28.275. Prices, Page 42

● LONDON: FT Industrial Ordinaries index fell 3.1 to 750.6. Some Government securities showed marginal falls. Report, Page 37. FT Share Information Service, Pages 38, 39

● WALL STREET: Dow Jones industrial average closed down 5.70 at 1,255.89. Report, Page 33, Full share prices, Pages 34–36

● AUSTRALIAN all-ordinaries index, responding to the floating of the country's dollar, rose 7.4 to a record 751.2. Report, Page 33, Leading prices, Page 36

● TOKYO: Nikkei Dow index dropped 56.44 to 9,385.56. Stock Exchange index fell 4.17 to 695.3. Report, Page 33. Leading prices, other exchanges, Page 36

● NORWAY'S foreign trade was NKr 28.2bn ($3.7bn) in surplus in the 11 months ended November.

● DUTCH Government is to order eight M-type frigates worth Fl 2.84bn ($928m) from the Schelde shipyard, Vlissingen. Page 3

● MONEY MARKET FUNDS: From today a table will be published showing interest rates, annual equivalent rates, interest payment frequency and withdrawal notice required. Page 40

● GHH of West Germany, Europe's biggest mechanical engineering group, may have to cut its dividend again because of continuing difficulties at its MAN engines and trucks subsidiary. Page 21

● SOUTH AFRICAN insurance groups Anglo American Life and Southern Life Association are to merge from April in a R3bn ($2.5bn) grouping. Page 22

French industry sheds 30,000 jobs a month

BY DAVID HOUSEGO IN PARIS

REDUNDANCIES in French industry have exceeded 30,000 a month since July.

The new figures from the official statistics institute INSEE are the first confirmation of the accelerated pace at which French industry is now cutting back labour as companies restructure or go bankrupt. In the first six months of the year about 100,000 jobs were lost, according to INSEE, which includes in its calculations the hard-hit construction sector.

The sharp rise in redundancies comes at a time when trade union alarm is growing at the increasing number of industrial layoffs, and when the Government's claim to be holding unemployment steady at around 2m carries diminishing credibility.

An inner cabinet of senior ministers handling the economy and social affairs met M Pierre Mauroy, the Prime Minister yesterday, to discuss the potentially explosive situation at the Peugeot-Talbot plant at Poissy outside Paris, where production has been paralysed by a strike for the last four days.

The strike, organised by the Communist-led CGT union, is against Talbot's plans to make 2,905 workers redundant. The Communists are making an issue of it because they believe it will be the prelude to other major layoffs in the car industry and in other industries in the Paris region.

INSEE warned yesterday that the unemployment figures should now be treated with caution as a guide to the domestic labour market. It said that the stabilisation of unemployment over the last year has been because more young people have been drawn into training programmes while more older workers are taking early retirement.

INSEE said that a worrying feature of the unemployment figures was the continued growth in the number of men in the 25–49 age bracket seeking work, though the pace of increase had slowed.

The acceleration in industrial layoffs since July reflects both the slowdown in economic activity and the Government's easing of conditions under which companies can declare workers redundant.

An increasing number of companies have of late been announcing cuts in their labour force. These include the engineering concern Pont-à-Mousson (1,800), the BSN food and glass group (722), Massey Ferguson (595), the Fonderies Montupet de Nanterre (694) and a large number of small textile concerns. Most of these layoffs have yet to show up on the labour force figures.

Morgan Guaranty to lose Eurobond staff

BY MARY ANN SIEGHART IN LONDON

MORGAN GUARANTY'S Eurobond department in London has been dealt a major blow with the departure of four of its key personnel. The bank announced yesterday that Mr David Craig, deputy managing director in charge of Eurobonds, Mr Leonard Gayler, Mr Jean-François Buisseret and Mr Richard Atkinson will be leaving to set up their own securities house.

So far this year, Morgan Guaranty has been the fourth biggest issuing house in the Eurobond market, having led a total of $1.8bn worth of issues. Mr Craig, aged 36, was described yesterday by a fellow banker as "the backbone of the department. He runs the whole show."

Mr Gayler is manager in charge of the syndication of new bond issues, Mr Atkinson is manager of the bond sales department, and Mr Buisseret is a corporate finance manager.

Mr Craig and Mr Buisseret will leave Morgan Guaranty early next year to raise funds for the new operation in London, and the other two will join them by March. The venture will be involved in Eurobonds and other securities.

Mr Craig and Mr Gayler were formerly together at Hambros Bank. Mr Craig joined Morgan Guaranty in 1979 and Mr Gayler followed him two years later.

Mr Craig will be replaced by Mr Andrew Threadgold, currently in charge of Morgan Guaranty's municipal bonds department in New York. The other vacancies will probably be filled internally.

Mr Tony Mayer, managing director at Morgan Guaranty, said yesterday: "We're sad to see them go, but it was totally friendly and we wish them luck."

A senior executive at a competing Eurobond house said of Mr Craig: "He is respected in the market as a number one guy, and there aren't that many around."

Bankruptcy proceedings start for IBH

By James Buchan in Bonn

IBH HOLDING, the West German group at the heart of the building machinery empire created by Herr Horst Esch, yesterday went into bankruptcy proceedings after efforts to reach a settlement with creditors were declared a failure.

The district court in Mainz yesterday launched proceedings after Herr Wolfgang Petereit, the court appointed debt-administrator, was unable to reach a settlement that would secure the future of the world's third largest building machinery group.

As of the beginning of last month, the concern had adjusted liabilities of DM 580m ($210m) against assets of only DM 250m, thus making impossible the settlement process known as *Vergleich* which must secure for creditors a minimum of 35 per cent of their claims in cash, or 40 per cent over a period longer than a year.

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Fed curbs feared as U.S. retail sales beat forecasts

By Stewart Fleming in Washington

U.S. consumers went on another bout of heavy spending in November, the Commerce Department reported yesterday. Retail sales bounded last month by 1.9 per cent from their October level, the Department said, even though it revised its earlier October increase upwards from 1.1 per cent to 1.4 per cent.

The spending surge, the strongest gain since a 3.1 per cent rise in May when the economy was swinging out of recession, triggered renewed fears in the financial markets that the Federal Reserve Board could make a cautious move to tighten its monetary policy at next week's meeting of its monetary policy-making Open Market Committee.

In the credit markets, short-term interest rates rose by about 10 basis points taking six-month Treasury bills to 9.25 per cent and bond prices weakened. The dollar also rose on the news which, along with other economic indicators released this week, is tending to reinforce expectations of upward pressure on U.S. interest rates.

The seasonally adjusted rise in retail sales is more than twice the increase many economists had been forecasting for November, and underpins the convictions of those economists who have been suggesting that gross national product growth in the fourth quarter will only be slightly below the 7.7 per cent real growth rate recorded in the third quarter.

Mr Donald Regan, U.S. Treasury Secretary, has already suggested that fourth-quarter GNP could be up between 6 per cent and 7 per cent.

It is the current strength of the economy, which is seen by many economists to be incompatible with a sustained U.S. economic expansion, which has led to fears that the Central Bank could tighten its monetary reins. But any move is likely to be cautious in view of both political and economic considerations.

The retail sales figures are surprising in part because analysts detected some weakness in car sales in the middle of last month. But they confirm the picture presented by buoyant consumer confidence surveys – not to mention the frantic and often violent pursuit of "Cabbage Patch Kids

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Print dispute threat to UK unions' chief

BY JOHN LLOYD, PHILIP BASSETT AND DAVID GOODHART IN LONDON

CONFLICT within the British Trades Union Congress (TUC) over the issue of support for the craft printing union, the National Graphical Association (NGA), now threatens the position of Mr Len Murray, the TUC general secretary.

Right and left wingers on the TUC's general council will today join combat over whether or not to give full support to the NGA in its dispute with the Stockport Messenger group of newspapers in North-west England. At stake will be not only Mr Murray's own post but the whole course he has set of pragmatic dealings between the TUC and the Conservative Government.

Mr Murray's position has been called into question by his unprecedented repudiation, early yesterday, of the TUC employment policy and organisation committee's expression of "a sympathetic and supportive attitude" to the NGA's planned 24-hour national strike in defiance of High Court injunctions.

The TUC committee (Epoc) voted by 9-7 to express support for the NGA, although five members did not attend the meeting including several moderates.

Afterwards, Mr Murray said that if the TUC were to give support to the NGA's industrial action it could well put the TUC itself in jeopardy because the High Court had issued a mandatory injunction for the union not to strike.

The NGA called the strike, due to have started last night, in protest at a fine of £525,000 imposed last Friday for contempt of court in continuing mass picketing of the Stockport Messenger's printing plant at Warrington, Lancashire.

Yesterday morning, the NGA's national council suspended the strike pending the outcome of the TUC general council meeting this morning. The NGA council said it and its members were "confused and concerned by Mr Murray's statement, which they can only regard as divisive."

Mr Joe Wade, the NGA's general secretary, said the dispute would continue. "In the meantime, I hope that Mr Murray's repudiation of the Epoc decision will be rejected by the general council."

The vote on today's emergency meeting of the TUC council is certain to be extremely close, with many left-wingers predicting a narrow vote in favour of endorsing the

Continued on Page 20

Murray in the eye of the storm, Page 18; Editorial comment, Page 18

Spending block on EEC research plan

BY PAUL CHEESERIGHT IN BRUSSELS

BRITAIN and West Germany yesterday refused to sanction funds for a programme to make the European Community's information technology industry competitive with those of the U.S. and Japan.

The European Strategic Programme for Research and Development in Information Technology (Esprit) thus became the first victim of the uncertainty shrouding the Community budget after the breakdown at the EEC summit in Athens last weekend.

At a meeting in Brussels of research ministers, both Britain and West Germany refused to approve the spending of 700m European currency units ($575m) over the next five years on the project, despite the European Commission's assurances that money could be found in the EEC budget from previous shortfalls in expenditure.

Both countries are understood to be assessing the implications of the failure in Athens. But the Commission still hopes Britain may decide in favour of Esprit by the end of the year.

The UK and West Germany are not certain, however, where the money from Esprit could come from if EEC resources were kept at their present level. Although the 1984 budget is before the European Parliament, it was noted yesterday that a projection of expenditure is valid only if agricultural economies are made. Those have not been agreed.

Esprit is designed as a five-year programme to help research and development, across national borders, with the EEC putting up half the money for any project

CONTENTS

French employers call for freer prices

BY PAUL BETTS IN PARIS

THE FRENCH PATRONAT, the country's employer's confederation, yesterday called for the deregulation of French industry as the most practical way of ensuring the competitiveness of French enterprises next year.

In a strongly worded attack on government price controls, M Yvon Gattaz, head of the Patronat, argued at the confederation's annual meeting yesterday that French enterprises, faced with low to zero growth in France next year and continuing economic austerity, must be given greater freedom and flexibility to remain competitive.

The Patronat has a long list of demands for the Socialist Government, among them to honour earlier pledges to liberalise industrial prices; relax corporate taxation; and introduce greater incentives for investments and free credit.

In particular, the Patronat yesterday condemned the Government's recent decision to hold down industrial price rises in France next year below 5 per cent, the Socialists' optimistic 1984 inflation-rate target.

M Gattaz yesterday said the Patronat was encouraging all its members to resist negotiation of price restraint agreements with the Government by the end of this year. But M Gattaz acknowledged that several groups, including the nationalised companies, would find it difficult to ignore the Government's latest price-control proposals.

M Gattaz also launched the Patronat's new slogan for 1984, on the lines of "give us freedom and we will assume our responsibilities."

The head of the Patronat also used the occasion of the confederation's annual meeting to paint a glum picture of the French economy.

M Gattaz said the Patronat was forecasting for France negative growth of 0.8 per cent or a maximum of 1.2 per cent growth next year. He said French industry continued to be burdened by the rapid rise in wage costs. Wages and social charges now accounted for 70 per cent of the value added of French enterprises.

Governments blamed for EEC summit debacle

By John Wyles in Strasbourg

THE EUROPEAN Parliament's formal inquest into last week's failure of the EEC summit in Athens was yesterday given two very similar explanations for the debacle by M Gaston Thorn, the president of the European Commission and Mr Andreas Papandreou, the Greek Prime Minister and summit host and chairman.

Both men blamed the summit's total inability to agree on major EEC reform issues on the absence of any real consensus between governments on how the Community should develop. The problem was compounded, they said, by the weight of technical detail which heads of government had to handle.

Much of this should have been eliminated in the Council of Ministers preparatory work, but over the years governments have been leaving more and more issues to be settled at summits which are not up to the tasks in front of them.

M Thorn went further by developing the Commission's view that the Ten's cavalier approach to procedures laid down by the Treaty of Rome had robbed the Athens negotiations of all possible coherence. The Commission president said that the special councils of foreign and finance ministers which had tried to prepare for agreements at Athens had ignored the treaty's requirements that decisions can only be taken on the basis of Commission proposals.

Governments had pressed their own proposals—particularly on the British budget problem and control of EEC spending—with the result that the summit became tangled up in "competitive formulas . . . biased in the direction of the specific interests of the countries which had authored them."

Implicitly, Mr Thorn's explanation was an acknowledgement that the Commission lost the initiative in the run-up to Athens. Explicitly, it was a declaration of determination to regain this initiative by insisting on treaty procedures and to ensure that the post-Athens malaise in the EEC should not block decisions which were vitally needed.

Most urgent was the need to get a grip on Common Agricultural Policy spending, said M Thorn.

MBB-Aerospatiale satellites plan

BY RUPERT CORNWELL IN BONN

THE West German aerospace concern, Messerschmidt-Boelkow-Blohm, and Aerospatiale of France have signed a joint venture agreement to develop and produce medium-sized information satellites, to be known as the "Spacebus" family.

The deal, which was anounced yesterday, represents a significant extension of the existing collaboration between the two groups, which already work together on the European Airbus venture, various weapons systems and in the space sector.

"Space-bus" satellite platforms will be available in the 1.2-3 tonne range, with a capacity range of 1-6 Kw set in geostationary transfer-orbit. They are intended for launching by both the European Ariane rocket or the U.S. space shuttle.

By pooling know-how and resources, the two companies aim to secure maximum cost efficiency benefits. They will also be able to offer potential customers ground control stations, operations support and training facilities.

MBB and Aerospatiale already employ 3,800 people on the space side, and have combined turnover of about $260m in the sector.

The Federal Post Office, meanwhile, has awarded a DM 515m (£206m) contract to a group of West German companies for the construction of a new satellite system for radio, TV, telephone and data transmission.

Herr Christian Schwarz-Schilling, the Minister for Post, said yesterday that the first satellite of the system, to be called "DFS Copernicus" should be launched by Ariane in June, 1987. A second satellite should follow it into space in March, 1988.

The order, after a year of negotiations which also involved U.S. and Japanese concerns, has finally gone to an all West German consortium led by Siemens.

The contract price contains an escalator clause to cover wage and material cost increases between ow and the launch date. Nor does the total DM 815m price include the cost of the actual firing of the satellite into orbit.

The scheme gives West German industry the chance of strengthening its position in a key high technology sector and will help guarantee jobs, according to Herr Schwarz-Schilling. More specifically it will link two functioning and one existing standby satellites and 34 ground-based transmitting stations.

Turkish Cypriot premier names ministers

By Andreas Hadjipapas in Nicosia

MR NECAT KONUK, interim prime minister of the self-proclaimed Turkish Cypriot republic in the north of the island, yesterday named a new cabinet to serve until elections are held early next year. Six of the 10 appointees belong to Turkish Cypriot leader Mr Rauf Denktash's rightist National Unity Party.

The most notable appointment is that of Mr Necati Munir Ertegun as foreign minister to succeed Mr Kenan Atakol.

Mr Ertegun is a lawyer who held the post of solicitor-general during the British administration that ended in 1960. Recently he served as adviser on the Turkish Cypriot side in the intercommunal talks that broke down last April.

Mr Denktash hinted that its main job during the coming year would be to strive for some form of recognition, especially among Islamic states.

Meanwhile, Mr Spyros Kyprianou, the President of Cyprus, said yesterday that world condemnation of the Denktash regime was not enough. "What is important is not its reversal in theory only but also in practice, so that Turkish occupation troops are withdrawn from the island and Cyprus becomes reunited in conformity with UN decisions," he said.

Carrillo bid splits Spanish party

BY DAVID WHITE IN MADRID

AN OPEN split in the ranks of Spain's Communist Party threatens to undermine the leadership of Sr Gerardo Iglesias at a congress starting here today, barely a year after he took over from the veteran Sr Santiago Carrillo.

Behind what seems to be an attempt by Sr Carrillo to regain effective control of the party, lie questions about its position regarding East-West issues and the Socialist Government in Madrid.

Regional committees have divided into different camps and it is impossible to forecast the outcome of voting at the five-day congress on the secretary-general's report and on the new central committee, which, in turn, decides the leadership.

Among other uncertainties is who will emerge as the candidate of the Carrillo supporters. The 68-year-old Sr Carrillo, who quit after the general election last October when the Communists lost 11 of their 15 seats in the Lower House and all their eight Senate seats, does not want another term as secretary-general. He held the post for 23 years.

Sr Iglesias, a 38-year-old miner, was Sr Carrillo's own nominee for the job. But, after securing it, he made it obvious he was not willing to perate in his predecessor's shadow.

He has received gestures of support both from the "old guard" including the legendary Dolores Ibarruri ("La Pasionaria") and from the powerful Workers Commissions union. He favours a more open party, but opponents see this as a move to accommodate people who have drifted to the right.

Sr Carrillo, while still proclaiming Eurocommunist principles, seeks a more "revolutionary" tone and a tougher stance against U.S. policies and against Spain's Socialist Government.

The split has emerged amid fears of more defections to a pro-Soviet splinter party. In this obscure battle, some factions are trying to find a third choice, such as unionist Sr Nicolas Sartorius. He, however, has aligned himself with Sr Iglesias and says he does not want to run for leader.

The party has been in crisis since its 1981 congress owing partly to Sr Carrillo's authoritarian rule and partly to its more general difficulty in finding its feet since emerging from clandestine existence under Franco.

PKbanken chairman removed

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

SWEDEN'S Social Democratic Government is removing Mr Lars Sandberg as chairman of the state-owned PKbanken, the country's third largest commercial bank, as a direct political consequence of the "Rainer affair," which last month compelled Mr Ove Rainer, the Justice Minister, to resign.

The move will force the delay of a planned issue of shares in PKbanken, which was to have raised SKr 350m-SKr 450m (£30m-£39m) in a surprise measure of privatisation introduced by the Government last month.

The bank's short-term capital needs will have to be met by bridging finance directly from the central government until the share issue can be pushed through.

The removal of the bank's chairman is the latest step in a long-running affair, which has badly damaged the reputation of Prime Minister Olof Palme, and which has caused wide unrest in the Social Democratic Party.

Mr Rainer was forced to resign because of a mounting scandal surrounding his personal tax affairs. While on the board of PKbanken in his previous role as head of the Swedish Post Office, one of the bank's biggest customers, Mr Rainer was granted various large loans by the bank, including one of SKr 15m, where the interest payments were used to reduce his tax liabilities.

His actions were perfectly legal but offended strongly against Social Democratic morality

West Berlin woman in challenge for mayor

By Leslie Colitt in Berlin

WEST BERLIN'S ruling Christian Democrats (CDU) will decide on Friday whether the next Governing Mayor is to be a smooth 42-year-old political "whizz kid" chosen by the departing Herr Richard von Weizsaecker or a stern woman of 55 whom Berliners have nicknamed "Hanna Grenate" (Hanna the Grenade).

Frau Hanna-Renate Laurien has a good chance of becoming the first woman in the post in spite of her abrasive manner, or perhaps because of it.

A large number of borough delegates to the meeting have come out for her, in rebellion against the CDU's so-called "concrete" faction in the legislature consisting of devoted but faceless political managers.

Herr von Weizsaecker is to become Federal President next spring after a highly successful two-and-a-half years in office. His chosen successor is Herr Eberhard Diepgen, the energetic CDU floor-leader in West Berlin.

Many party members, however, were angered by Herr von Weizsaecker's abrupt decision to leave the city where he had promised he would end his political career. This may explain the sharp reaction against his choice as successor.

Equally important was the recognition that the party will have to field a strong candidate to win elections in April 1985. Herr Diepgen is widely felt to be too bland. Frau Laurien appeals to many in over-aged West Berlin precisely because she has what is known as a sharp "Berlin lip."

● East Germany is refusing entry to some 100 members of West Berlin's peace movement for fear they will establish contact with the independent East German peace movement. Four East Berlin members of the small "Women for Peace" movement were arrested this week for urging East German women not to register for obligatory civil defence and army support activities.

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Ozal becomes Turkish Premier as Evren approves cabinet list

BY DAVID BARCHARD IN ANKARA

MR TURGUT OZAL became Turkey's forty-sixth Prime Minister yesterday after President Kenan Evren approved a 22-man cabinet list. The President said yesterday that he had delayed ratifying the cabinet list for 24 hours because he had a constitutional duty to scrutinise the appointments.

He had approved Mr Ozal's list of names but did not deny reports that at least three of the ministers were second choice names, originally submitted by Mr Ozal as alternatives to his original preferences.

The cabinet in its present form will be shortlived. Mr Ozal hopes that the 22 ministers will be able to rush through legislation making it possible for him to restructure his cabinet along the lines he wants.

This will involve merging several of the traditional ministries in Turkey and setting up a "kitchen cabinet" of seven ministers of state. These will function inside the prime ministry setting out guidelines on economic policy and other essential matters.

Mr Ozal has caused some surprise by making his former Finance Minister, Mr Kaya Erdem, Deputy Prime Minister and Minister of State. He it was who took decisions between 1980 and July 1982 which precipitated two finance crashes culminating in Mr Ozal's resignation as Deputy Prime Minister.

Mr Erdem is probably the sole member of Mr Ozal's entourage who is regarded as intellectually weak by the Istanbul business community. Nevertheless, he will now be handling most long-term economic decisions.

There was general disappointment that Mr Yildirim Akturk, until July head of the State Planning Organisation, has not been included in the Cabinet. Mr Akturk was widely regarded as Mr Ozal's heir apparent. He is thought to have declined a Cabinet post in favour of going into business in Istanbul. His omission severely weakens Mr Ozal's hand.

Mr Husnu Dogan, the head of the Foreign Investment Department and a principal Ozal lieutenant, has won a place in the Government but only as Minister of Agriculture. He was vetoed in June as a member of the founders of Mr Ozal's Motherland Party and there were doubts whether he would be allowed to become a minister.

Most of the others come from a variety of government and business backgrounds.

Mr Ozal, however, has turned to the Foreign Ministry to pick his Foreign Minister—Mr Vahit Halefoglu, the outgoing ambassador in Moscow. This choice appears to reflect the prevailing view inside Turkey that foreign policy is too important a subject to be left to anyone except career diplomats. It will relieve those who thought that Mr Ozal might pursue anti-European policies or lean too far toward radical Islamic regimes in the Middle East.

The new Prime Minister has now to prepare a government programme and win a vote of confidence on it in Parliament. Neither of these hurdles looks particularly difficult to clear. By the end of the month, Mr Ozal should be fully in the saddle.

He is likely to concentrate on stabilising the economy during his first few months in office and there is already speculation that he may unveil a large package of austerity measures early in the new year comparable to his famous "January 24, 1980" reforms. Not everyone is sure, however, that a massive devaluation of the Turkish lira will be as immediately effective as it was then.

Glemp puts off trip after priest is detained

By Christopher Bobinski in Warsaw

CARDINAL Jozef Glemp, Poland's Roman Catholic Primate, yesterday postponed a two-day trip away from Warsaw following the detention of one of his diocesan priests, Father Jerzy Popieluszko on Monday.

The priest was due to say Mass yesterday evening—the second anniversary of the imposition of martial law—at his church in northern Warsaw where congregations of several thousand attend his monthly masses "for the fatherland."

Mr Jerzy Urban, the government spokesman, said yesterday that a decision was pending on the arrest of the 36-year-old priest. Fr Popieluszko has made no secret in his sermons of his sympathy for the banned Solidarity movement and he has a following among workers at the nearby giant Warsaw steelworks.

A search at the priest's flat on Monday, according to Mr Urban, had revealed "things a priest ought not to have" and this had led to the detention.

Senior churchmen yesterday held talks with government officials in an effort to unravel the case which could bring a sharp deterioration in church-state relations and lead to social tension. Were the authorities to free Fr Popieluszko, they would be likely to expect the church hierarchy to persuade him to tone down his sermons and to adopt a low profile for a while at least.

Meanwhile, the government has adopted a wait-and-see attitude after free elections last week to a workers' self-management council at the Warsaw steelworks which employs 9,500 people.

The first round of elections has brought former Solidarity officials on to the 37-man council which has a say in most important management decisions. A second round of voting this week threatens to leave Communist party members with a mere 10 per cent of the seats.

The election represented a breakthrough for the workforce which views with deep suspicion anything tolerated by the authorities. Some 72 per cent of employees took part.

Bridget Bloom tracks some hints of hope for East-West detente

Conciliatory stirrings in Nato depths

NATO may be at a turning point. Last week's ministerial meetings in Brussels showed signs of change which suggest that the Western alliance is increasingly concerned at the deterioration in its relations with the Soviet bloc and may now be intending to do something about it.

The organisation, formed nearly 35 years ago and comprising 14 European countries and the U.S. and Canada, moves ponderously. Its deliberations are held behind closed doors, while its communiqués, directed both at its own publics and at the Soviet bloc, are often very opaque.

The possible changes were heralded last week by:

- A unique "Declaration of Brussels," signed by all 16 Foreign Ministers and issued separately from the communiqué, which called on the Warsaw Pact to "seize the opportunities we offer for a balanced and constructive relationship and genuine detente." The Ministers offered the Warsaw Pact "a long-term constructive and realistic relationship" and advocated "an open, comprehensive political dialogue as well as co-operation based on mutual advantage."
- A decision to undertake a new and "thorough reappraisal of East-West relations with a view to achieving a more constructive East-West dialogue"—and to report that appraisal to Ministers when they meet in Washington next May.
- A decision by all the Foreign Ministers to go to Stockholm next month, where 35 countries of the alliance and the Warsaw Pact are due to meet in the next phase of the long running European security conference.

The Conference on Security and Co-operation in Europe (CSCE) — which has now spawned the Conference on Disarmament in Europe (CDE)—was set up under the Helsinki act of 1975 and has met in Belgrade and in Madrid to discuss confidence building measures, including human rights, between East and West.

- The appointment as Nato's new Secretary General, of Lord Carrington, Britain's former Foreign Secretary—who recently criticised the tendency of the West to conduct its relations with the Soviet Union by "megaphone diplomacy"—to take over from Dr Joseph Luns next June.

Mounting concern

The background to the new moves centre on mounting concern, in Europe in particular, that the channels of political communication with the Soviet bloc have been gradually closed following the advent of the Reagan administration in 1980 and exacerbated by events like the Soviet invasion of Afghanistan, military rule in Poland and most recently the Korean jetliner incident.

The breakdown of the Euromissile talks in Geneva last month, and Moscow's refusal to confirm that it will attend the strategic arms (Start) talks next year have added to public unease about the state of East-West relations.

Key Nato governments, including Britain and West Germany, have long been concerned that the West had become dangerously dependent on arms negotiations as its main channel of communication with Moscow and have been urging a indexing of contracts. Officials note that during the detente period of the early 1970s there were many forums for East-West contact: these were used to the full to provide a fruitful climate for the achievement of the Salt arms agreements.

But if last week's moves do suggest a new emphasis from Nato it is still too early to tell whether new policies are on the way. Initially much will depend on the U.S., now entering an election year. Last Friday Mr George Shultz, the U.S. Secretary of State, spoke of Nato's "outstanding unity and cohesion" and signed the Brussels Declaration endorsing detente—a concept anathema to early Reaganites.

Even Caspar Weinberger, the U.S. Defence Secretary, agreed to the use of somewhat more temperate language in the Defence Ministers' communiqué earlier in the week, though much of the tougher rhetoric also remained.

"One swallow does not make a summer — nor a breath of fresh air bring a sea change," noted one European official, adding that the uncertainties of a U.S. election campaign could undermine any small progress so far made.

There is even more uncertainty about the Soviet reaction. Western arms control officials believe Moscow will stay out of major arms talks with the U.S. for several months, both to maximise discomfort in the West and to win time to reasses its own future strategy. To this end it may fail to agree today to a date for the resumption of MBFR talks on reducing troops in Europe.

Only assume

Moscow has almost certainly not decided how it will play the U.S. election, but such is the shorter term uncertainty within Nato that Mr Shultz could say at his Press conference that he could only assume his Soviet counterpart, Mr Andrei Gromyko, would also be in Stockholm next month.

Nor are the Nato allies quite as confident privately of their new-found unity and cohesion. Last week's communiqués verged on the masterly smoothing over real differences—whether on the U.S. drive to get Europe to accept new high technology weapons on the imbalance in defence trade between Europe and the U.S., on the failure of Europe to increase defence spending at levels the U.S. thinks appropriate, or on measures which Europe might take to compensate for likely U.S. decisions to dedicate more forces to non-Nato operations.

"We achieved a fairly effective anchoring operation before we sail into the squalls of the coming year—no more, no less," said the official who did not accept that Nato was on the verge of a sea change. On the other hand, one Nato strategist noted that all the alliance's changes of direction in the past had been barely discernible at first. "We need at least five years before we can be sure," he said, not entirely facetiously.

ACCORD REACHED ON PORTUGAL'S AZORES AIR BASE

THE U.S. and Portugal have exchanged notes providing for a seven-year renewal of their agreement covering the Lajes air base in the Azores, writes *Diana Smith in Lisbon*. Lajes is of strategic importance as a refuelling stage for U.S. military aircraft, detection of Soviet submarine activity in the Atlantic, and air-sea rescue operations. The notes were signed in Lisbon by Mr George Shultz, the U.S. Secretary of State and Sr Jaime Gama, the Portuguese Foreign Minister.

Washington is hoping to obtain further facilities—possibly a satellite tracking station and use on specific occasions of a base on the Portuguese mainland.

Portugal will receive military aid worth more than $90m ($37.5m in grants and $52.5m in guaranteed loans) this fiscal year. Next year, it will receive $105m ($60m and $45m). In addition, the country will obtain $40m in economic support funds in the 1984 fiscal year. These funds are for development programmes in the Azores, whose per capita income is only $2,300 a year.

Diplomats say Portugal could expect similar levels of Lajes-related aid after 1984, but since the U.S. Congress no longer accepts multiple year aid packages the amounts must be settled yearly.

The U.S. has had access to Lajes—a Portuguese air force base on Teixeira Island—since 1951. In the 1973 Arab-Israeli war, Portugal was the only Nato ally to allow U.S. aircraft to refuel on its soil. The Portuguese asked for more aid in return for renewing the Lajes agreement.

Mr Shultz (right) in Bonn last week with Herr Genscher, West Germany's Foreign Minister.

Netherlands orders eight frigates

By Walter Ellis in Amsterdam

THE DUTCH Government is to order eight M-type frigates, worth Fl 2.84bn (£643m) from the Vlissingen shipyard, De Schelde. The new warships will replace ageing frigates of the Wolf and Van Speijke classes and should be in service by 1993.

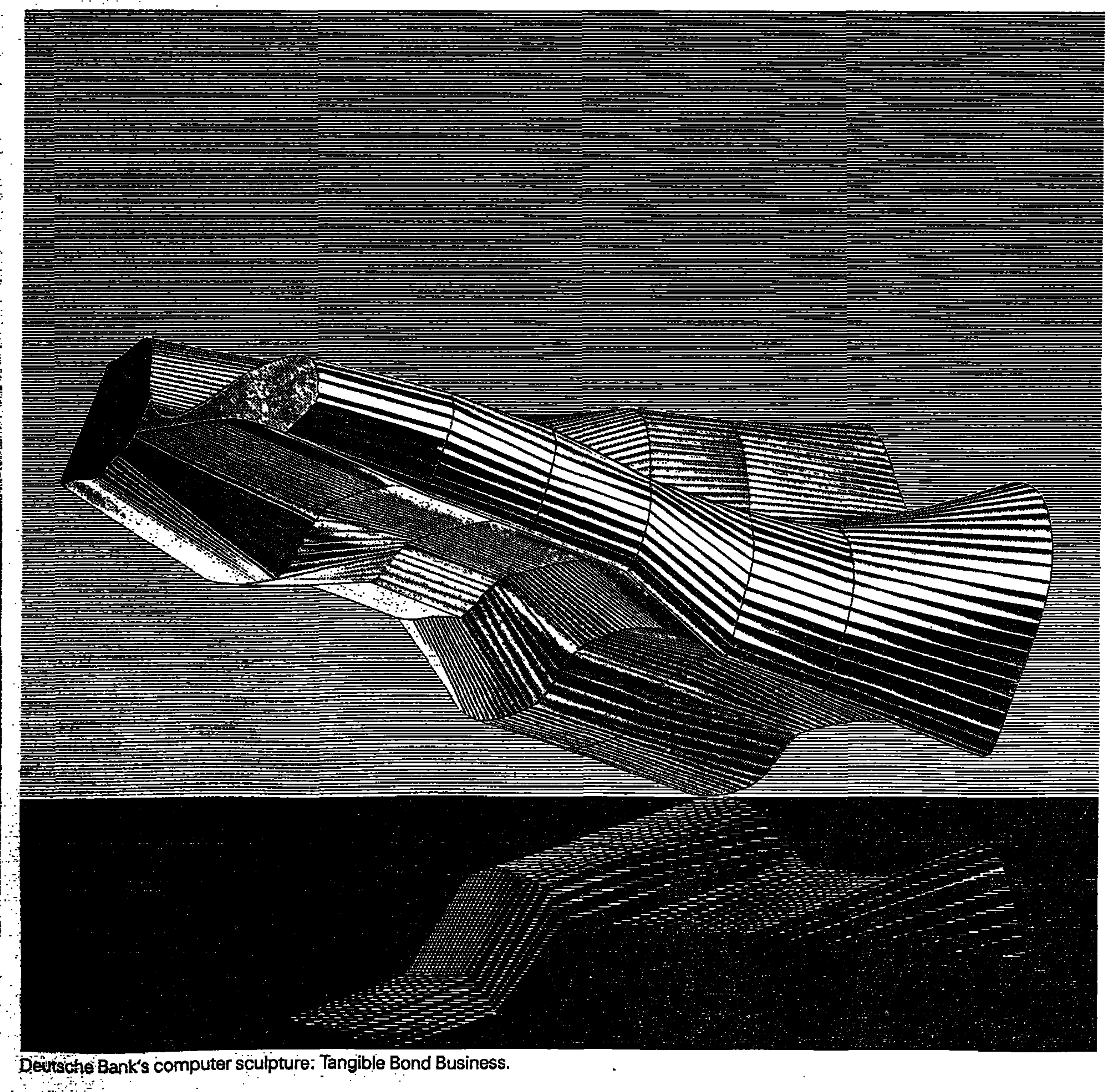
Dutch-built naval vessels have a high reputation, and the latest M-type is well thought of by the Netherlands' Nato allies.

Last month, the Dutch Defence Ministry announced it would go ahead with the purchase of an extra 54 General Dynamics F-16 fighter aircraft for the Dutch air force.

The centre-right Government of Mr Ruud Lubbers clearly remains committed to the build-up of the armed forces agreed some years ago with Nato, in spite of constraints on public spending that have affected most departments.

The Government is to increase real spending on defence by 2 per cent a year between 1984 and 1987 and there is a provisional undertaking to boost this rate to 3 per cent annually until 1994.

The big defence question that remains unresolved is that of the deployment of 48 U.S. criuse missiles in the Netherlands. The weapons are supposed to be on-site by 1986. But although a location has been chosen and initial preparations are to be made, a final decision on the arrival of the missiles themselves remaining to be taken.



Argentina announces price controls

By Jimmy Burns in Buenos Aires

ARGENTINA'S new civilian government has announced sweeping price controls in its first major initiative to reduce the country's 400 per cent inflation to two-digit figures by the end of 1984.

The controls, in force from today for an initial period of 40 days, will cover consumer prices in the family "shopping basket" of essential foodstuffs, medicines and wholesale prices on goods produced by some 400 leading companies.

The Government has also asked retailers to limit their mark-ups to no more than 60 per cent above the factory price on consumer goods. Producers who have put up their prices by more than 100 per cent in the last six months will have to justify the rises in writing to the Trade Secretariat.

Prices could be lowered if the increases since June are found by the Government to be unjustified in terms of the individual companies' overall costs. In recent weeks, prices have increased by as much as 200 per cent o nsome items, because of the general uncertainty surrounding the elections and the expectancy that the new civilian government would announce major salary increases, thus boosting consumption.

Local business analysis predicted that, given the popularity of the new regime, the new set of price controls had a better chance of being honoured than in the past, when a combination of a complex marketing system and negative political expectations has created a major black market.

However, the government is convinced that its anti-inflation drive will work only if its measures are applied in the context of a social contract with both sides of industry.

A forthcoming reform of the banking system will include a lowering of interest rates and the creation of selective credit lines for job-creation, and regional and export-orientated projects.

The future relationship of the Radical administration with the trade unions, however, may prove more problematic. Government officials admit privately that dialogue with the General Confederation of Labour is proving difficult, given the major divisions which have developed inside the Peronist-led main trade union organisation.

Jamaica's non-election: Why the winner may lose in the long term

BY CANUTE JAMES IN KINGSTON

WHEN Mr Edward Seaga, Jamaica's Prime Minister, said during the country's election campaign that he wanted "no Cubans for Christmas," it was in the full knowledge that the promise of the Opposition party to renew links with Havana had no chance of being kept.

For Mr Michael Manley, the Opposition leader, has refused to contest the election, handing Mr Seaga a second five year term. Only six of the 60 constituencies will be contested during tomorrow's poll, where several small parties have put up candidates to stand against Mr Seaga's Jamaica Labour Party.

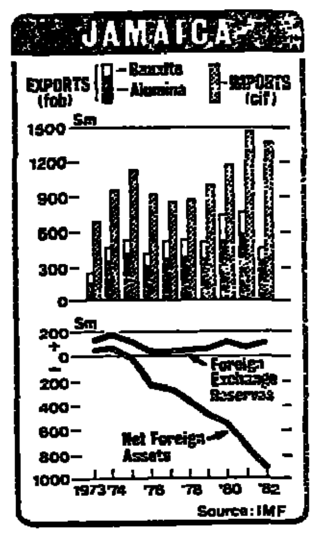
Mr Seaga called the election two years before it was due because he said he needed a new mandate to make further agreements with the International Monetary Fund to prop up Jamaica's ailing economy, and to give foreign investors the prospect of further years of stable government.

His timing allows him to make capital of an increase in popular support following Jamaica's participation in the October invasion of Grenada led by U.S. troops. Although Mr Seaga has said that Mr Manley's People's National Party would turn Jamaica into "another Grenada" if elected, public opinion polls suggest that the PNP would cut into Mr Seaga's representation significantly if it were to contest the election. In the old parliament the JLP had 51 of the 60 seats.

Mr Manley is boycotting the election in protest at the violation of an agreement that elections would not be held until a programme of electoral reform agreed between the parties and a revised voters list are ready. The new system will not be completed until February. Under the old list over 150,000 potential voters are being disenfranchised, Mr Manley says, and Mr Seaga does not dispute his claim.

Mr Manley has vowed to continue opposing the Government from outside parliament while pressing for an election as soon as the reformed system is ready. Mr Seaga is hardly likely to bow to pressure from Mr Manley, however, who now seems destined to spend several years in the political wilderness.

Mr Seaga will anyway have his hands full dealing with the continued deterioration in the Jamaican economy. Although the election was called partly in response to a demand from the PNP for Mr Seaga to give



up the finance portfolio, its timing was influenced more by the need to secure another term before the effects are felt of last month's 43 per cent devaluation of the Jamaican dollar.

The devaluation paved the way for Jamaica to get standby credits of $180m from the IMF and followed a year of failure to meet performance criteria agreed with the Fund. The last failure in September scuttled a previous pact for an extended fund facility of $650m.

The Prime Minister has yet to announce the extent of price rises in sensitive areas such as food, petrol and fuel following the devaluation and the outlook is bleak in almost all areas of the economy. International bankers are reluctant to lend to Jamaica and a request for $50m was refused early this year. In May European banks rejected a request for $150m.

Mr Seaga has asked several creditor banks to roll over payments on debt of about $160m, due over the next 18 months. Following the new IMF agreement, the banks are expected to give a favourable response.

Jamaica's deficit on the current account of the balance of payments reached $150m in March and the falling demand for bauxite, the island's main export signals little hope of any improvement. Export earnings from bauxite fell $200m last year and are likely to fall $120m this year.

Exports of sugar and bananas have fallen victim to low production and low prices. Tourism, the second largest hard currency earner, has improved significantly, with earnings this year anticipated at about $350m.

Mr Seaga's anti-Communist stand has pleased Washington, bringing an increase in officail U.S. aid expected to reach about $150m this year. According to U.S. officials, this makes Jamaica the second highest per capita recipient of direct U.S. aid, after Israel, but it has been a drop in the bucket overall.

After he came to office three years ago, Mr Seaga scoured the U.S. for investors. Although aided by a committee appointed by President Ronald Reagan to encourage investment in Jamaica, results have been only moderate, mainly small projects with average capital outlay of about $550,000.

About 1,600 workers have been sacked in the bauxite industry over the past two years and unemployment is officially put at 27 per cent a figure which business leaders describe as conservative. The inflation rate this year is running at 18.5 per cent after being held to below 7 per cent last year, but price increases after the devaluation will push it up significantly.

Mr Manley will not be short of issues on which to attack Mr Seaga from outside parliament. This may, to some extent, discourage Mr Seaga's *de facto* one party assembly from being tempted into legislative excesses. But the greater risk is that Mr Manley's efforts to force another election next year could raise his supporters' expectations.

If these are frustrated and if social pressures caused by further austerity become too strong, the violence in Jamaica's highly tribalised politics could come to the surface again.

Chile to announce five-year plan soon

By Mary Helen Spooner in Santiago

CHILE'S Finance Ministry plans to announce a package of economic measures within the next few days. The announcement will include a five-year plan for the economy, currently under study by officials of General Augusto Pinochet's military regime, and possibly a further devaluation of the Chilean peso.

The Finance Minister, Sr Carlos Caceres, has declined to divulge any details of the new measures, but rumours of an impending devaluation have been circulating in the capital for weeks.

At present, Chile maintains a three-tiered exchange rate, with the central bank using a 72-peso "preferential dollar" for the repayment of dollar-denominated loans; an official rate offered by banks and exchange houses currently at about 87 pesos to the dollar; and a legal "parallel market rate" in which dollars may be sold and purchased freely.

This parallel market rate, which had been running about 10 pesos higher than the official rate, has recently undergone a dramatic rise up to as much as 105 pesos to the dollar as speculation continued of a sharp devaluation in the official exchange rate.

The International Monetary Fund, with which Chile signed a standby accord early this year, is believed to be pushing for a unified exchange rate. Chile has declared a moratorium on repayment of $3.6bn in foreign debt due this year and in 1984 while it seeks to reschedule these obligations.

According to estimates by private economists, Chile will need to borrow an additional $1.1bn next year in order to relaunch its economy, which contracted by 7 per cent during the first half of this year, after a 13 per cent drop in GDP last year.

● Four bombs exploded and two empty buses were burnt yesterday in the course of a day of "national indignation" called by left-wing opposition groups to protest against new mining legislation introduced by Chile's military government, AP reports from Santiago.

Indian oil production 'will meet 70% of demand next year'

BY JOHN ELLIOTT IN NEW DELHI

INDIA IS expected to attain 70 per cent oil self-sufficiency during the financial year starting next March, when a big *increase in domestic production* is being forecast by the Ministry of Petroleum.

Domestic production in 1984-1985 is projected by the Ministry to rise to 29.5m tonnes from 26.4m tonnes this year, according to a statement in the Delhi Parliament yesterday. This is a bigger increase than expected and means that the country will reach the 70 per cent self-sufficiency mark earlier than envisaged against 60 per cent currently.

Both the Ministry and the Oil and Natural Gas Commission are aiming for full self-sufficiency in oil by the end of the decade. But this is regarded as unrealistic by many observers, partly because the country's demand for oil is soaring, as industrialisation increases, and partly because of limitations in the amount of capital investment which the Government can make available.

The improved output is economically significant because of its impact on balance of payments. Oil imports fell from 17m tonnes last year to 15.7m tonnes this year. The import bill, including oil products, has dropped from $4.4bn to $3.6bn.

But the economy is being hit at the same time in the energy sector by major problems in electricity generation. Many parts of the country suffer major power shortages and the Government announced yesterday that the country's overall power generation would only reach 142.5bn units, instead of a targeted 146bn in the current year, leaving a shortfall of about 3.5bn units.

India's main oil fields in production are the Bombay High off the west coast, and onshore fields in Gujerat and Assam. Bombay High produced 12.5m tonnes in 1982 and is expected to approach 20m within two or three years.

Finds in the other major offshore field of the Godavri Basin off the east coast have not been as significant as had been hoped, although both oil and gas were found last week in a new well 25 km from the Andhra Pradesh coast. The Government is also optimistic about making significant finds in the Rajasthan desert.

Manila seeks support from U.S. bankers

BY CHRIS SHERWELL IN MANILA

A PHILIPPINES Government Minister yesterday appealed strongly to U.S. bankers and businessmen for assistance and support as he detailed progress in negotiations to contain the country's $25bn (£17.6bn) debt crisis.

Mr Roberto Ongpin, Trade and Industry Minister, was speaking to a closed meeting of the American Chamber of Commerce in Manila.

"The Philippines is still a hospitable investment area," *Mr Ongpin said.* "We expect assistance from those doing business with this country. There is a need for investors to take the longer view, to look beyond the present difficulties and lend support."

Of the proposed $3.9bn lending programme under negotiation, Mr Ongpin said:

● Discussions with the International Monetary Fund on an SDR 615m (£446m) facility will resume on January 4 following the gathering of additional statistical data by the IMF. The data related to the composition of the country's reserve and a detailed breakdown of the assets and liabilities of the Philippine National Bank, a local bank with foreign branches which have borrowed abroad on an unknown large scale.

● The country's 350 commercial bank creditors, who are being asked to put up $1.65bn in fresh funds as well as to reschedule medium-term debt and roll over trade credits can expect a telex giving the details shortly thereafter.

● Discussions on another $1.6bn package with the U.S., Japan and multilateral donors such as the World Bank and the Asian Development Bank are progressing, according to Mr Ongpin. He said the second tranche of a World Bank structural adjustment loan was released last week, and he hopes for another $200m from the bank's export development fund. Other import financing amounting to $250m could come from conversion of textile loans and agricultural input loans.

Law of the jungle in the game of the name

By Jurek Martin in Tokyo

IT IS probably easier for a camel to pass through the eye of a needle than for a Japanese political candidate to obey the election laws of the land. It is often said that the reason why most politicians hire campaign managers is not to manage campaigns, but so that they are charged with breaking the law once the election is over, rather than the politicians.

Most of the laws especially those relating to putting up posters before campaigning officially starts are widely disregarded. Nowhere is this more true than in the election finance rules, which, on paper are the toughest regulations of all.

There are, for example, ceilings on institutional political contributions (a corporation capitalised at more than Y100m (£33,000) may not give more than Y100m to a party and Y50m to a political faction or individual, far too little in the opinion of the Japanese equivalent of the CBI.

One favourite way round the rules is the political hot stocks game. This works quite simply; a politician (or his nominee) will be "advised" by a would-be benefactor to buy such and such a share, at a low price; since Japanese equity markets have *no jobbers*, the price is what the buyers and sellers agree it is.

It thus becomes easy to force up the price sharply, which in turn attracts general public interest, and, at an appropriate moment, the politician is "advised" to sell; there will, by this time, of course, be no lack of buyers; he takes his handsome profit and his campaign treasury is substantially larger.

The Japanese financial community has a pretty good idea what the political hot stocks are; most are small companies whose share price is easy to move, many are traded only on regional stock exchanges like Hiroshima, and many of them are in construction. Mr Kakuei Tanaka, the politician convicted of bribery in the Lockheed scandal, was a construction magnate and the Tanaka faction's hot stocks appear to be mostly in construction companies.

But the trick for the general investor, though not for those in the know, is to detect which are actually being used at a given time for political fund-raising purposes.

The one area in which it is difficult, if not impossible, to dodge the laws is in the political television advertising. One might have expected to see, say, Prime Minister Nakasone striding purposefully through a sylvan glade ablaze with autumnal colours, with perhaps a snow-capped Mt Fuji towering in the background; or, from the opposition, perhaps an animated cartoon, depicting Mr Tanaka being showered with Y10,000 notes from a passing Lockheed Tristar.

Not a bit of it: all that is allowed is individual political candidates performing in what can only be described as a police line-up format. The unhappy candidate is plonked down behind a desk in an unadorned studio, name and party affiliation plainly displayed on a large card in front of him, and given five minutes to deliver.

The results can be highly diverting as the candidate, inexpert in the medium, rushes through the speech, eyes revolving frantically between written text and auto-cut. When he has finished, he bows solemnly, without getting up and is immediately replaced by the next in line.

For the candidate the whole point of the two week exercise, conducted inside and outside the law, is to get his—and in 28 cases out of 848 her—name across. This is because when the Japanese citizen is alone in the voting booth, he or she is confronted with a ballot paper which has neither a candidate's name nor a party printed on it. The voter musht fill in the name in the blank space.

This explains why the most intrusive and ubiquitous feature of the modern Japanese election campaign is the mobile sound truck which, from seven in the morning until eight at night, cruises the streets blaring out at mega-decibel levels the candidate's name. Mind you, if they started even 30 seconds before seven they would be breaking the law.

U.S. fears new type of fanatical terrorism

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

REAGAN Administration officials are deeply concerned that a new strain of fanatical suicide terrorism is spreading throughout the Middle East, with the U.S. as its primary target.

They confess that, while some steps can be taken to improve security, there are as yet no known fully effective counter-measures—particularly as U.S. embassies and government installations cannot be turned into "armed fortresses."

Many in the Administration suspect that the recent suicide attacks in Kuwait and Lebanon have been co-ordinated by Moslem groups—probably under the guidance of Iran—but they say *that they have no hard evidence.* The U.S. has had virtually no intelligence sources inside Iran since the fall of the Shah.

Mr George Shultz, the State Secretary, without specifically naming Iran, has said that the suicide missions have behnd them "organised and systematic government efforts to achieve some objective." Washington officials believe that if government resources are supporting the attacks they will be even more difficult to deal with.

U.S. Government specialists believe that Syria and Libya may also be involved, and that the *motivations of the terrorists'* backers may vary widely. Among the objectives are thought to be ridding Lebanon of western influence by creating a feeling of helplessness and frustration in western public opinion and exporting Islamic revolution to the Gulf by provoking the authorities of countries such as Kuwait into repressive policies.

Specialists say that the suicide attacks represent a new phase, taking over the hostage-taking in the early 1970s and the subsequent mob violence against U.S. embassies later in the decade. They believe that many *of the new terrorists may have* been trained in Iran.

Fears of possible attacks in the U.S. have prompted massive new security precautions surrounding President Ronald Reagan and government buildings in Washington. Some officials are now concerned about the potential vulnerability of new summer's 1984 Olympic games in Los Angeles, the Republican national convention in Dallas and the Democratic convention in San Francisco.

Bank regulatory proposals face difficulties

By Our Washington Staff

WHITE HOUSE *plans to strip* the Federal Reserve of its bank supervisory powers in a restructuring of the complex U.S. bank regulatory system appear to be foundering.

Last month, a meeting of vice-president George Bush's task force on bank supervision was abruptly cancelled. Officials confirm that the timetable for pushing through the proposals *has slipped.*

Federal Reserve Board Chairman Mr Paul Volcker has made it clear that he firmly opposes the re-distribution of the Fed's supervisory authority to other agencies, arguing that the Fed's intimate knowledge of the banking system which it gains through its participation in bank supervision is a vital element of its monetary policy *role.*

Now it appears that the U.S. Treasury is also having second thoughts, not so much because of any basic disagreement with the need to streamline bank supervision, but because it does not consider the White House's proposals so far as a workable scheme that reduces and *consolidates* the overlapping layers of bank supervision effectively.

Australia attempts to defuse ship row

BY COLIN CHAPMAN IN SYDNEY

AUSTRALIA'S Foreign Minister, Mr Bill Hayden, moved yesterday to defuse a row brewing between the Reagan Administration and the Hawke Government, following widely circulated reports that HMS Invincible, now in Sydney, had been denied drydock facilities because it might be carrying nuclear weapons.

Mr Hayden disclosed that he had phoned Mr George Shultz, the U.S. Secretary of State, in Madrid and told him that no request had been made by the British Government for drydocking facilities to repair the Invincible.

Mr Hayden said that he had made the phone call because he saw "a head of steam building up," following a visit by a senior U.S. diplomat to the permanent head of the Foreign Affairs Department, Mr Peter Henderson, at the weekend, seeking an assurance that Australia stood by its commitments under the Anzus Treaty.

Mr Hayden says he had given such an assurance and described the issue as a storm in a teacup, largely created by the Press. He believes the Americans concern was sparked by newspaper reports that the Defence Minister, Mr Gordon Scholes, had banned the aircraft carrier from the drydock, after Britain had refused to confirm or deny that it was carrying nuclear weapons.

Mr Scholes, however, did seek such an assurance, leading the British High Commissioner in Canberra, Sir John Mason, to remind the Minister that nuclear weapon countries have a *standard policy of not* identifying which ships carry nuclear weapons. As a result, the Invincible, which cut short a trip to New Zealand to have the work done, has now to find another dockyard. It cannot do so until after Christmas, because of family reunions already planned between members of the crew and relatives and friends who have flown out from England.

Conflict erupts on Kissinger commission

BY OUR U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan's special Kissinger commission on Central America is running into increasing controversy—with a month still to go before its final report is published.

As Mr Henry Kissinger, the commission's chairman, began an information-gathering trip to Mexico and Venezuela yesterday, a clash was reported to have erupted between the commission's Republican and Democratic members over how far future aid to the U.S.-backed Government of El Salvador should be conditional on an end to the activities of right-wing death squads.

The commission is expected to recommend a massive package of U.S. economic and military aid to reduce social tensions in the area and boost the central American economies. Some commission officials have suggested that the package could total several billion dollars over five to 10 years.

In appointing the commission earlier this year, Mr Reagan hoped that it would defuse opposition to his current policy by producing a unanimous recommendation for longer-term economic and social development in the area.

Democrats on the commission were reported to be urging that new U.S. aid to El Salvador should be contingent on an end to the death squads, while Mr Kissinger, among others, was arguing that the country was of such vital interest to the U.S. *that aid should be* unconditional.

Indian politician is a hard act to follow

BY JOHN ELLIOTT IN NEW DELHI

M. G. Ramachandran, playing a cinematic double role as two brothers

A FORMER FILM STAR, who emerged early this year as a major figure on India's political *scene, removed the single* earring he was wearing a few days before Queen Elizabeth's visit to his city of Hyderabad.

Mr N. T. Rama Rao had started to wear the earring earlier this year, after donning the saffron robes of a holy man and putting a white mark on his forehead to show that he *had renounced* the world. He said he planned to devote himself to higher things, close to the gods of Rama, Shiva and Krishna, who he portrayed in his films. "I have become more service minded," more like a sage who must dedicate his services to the people," he said.

Mr Rama Rao, aged 60 was hailed as a possible Ronald Reagan of India when he emerged last January from his money-spinning private film studios to become Chief Minister of Andhra Pradesh, the south-western Indian state. The victory was a major defeat for Mrs Indira Gandhi's Congress I party, which had ruled the state for more than 30 years.

His party, Teluga Desam, *which was established only nine* months before the election, is primarily regional but soon after Mr Rama Rao took over as Chief Minister he helped to set up a grouping of anti-Congress I Chief Ministers from Southern states which was widely regarded as a threat to rule from New Delhi.

Mr Rama Rao has turned his regional ministers' grouping into one of the foundations of a national conclave of opposition parties, but has yet to emerge as a national challenger to Mrs Gandhi. Policy failures and corruption allegations have rumpled his image in urban areas outside the state and there is now a faint possibility of some sort of joint understanding as Mrs Gandhi sorts out *her friends and enemies* ahead of the next general election.

Mrs Gandhi is banking on the decline of the individual and collective power of Mr Rama Rao and other opposition leaders during the coming year, a calculation which is likely to make her decide against calling an early general election.

Other events influencing her to wait are steeply rising prices and an emotive Hindu row over the use of beef tallow in cooking oil: both have hit her Government's popularity. She is being strongly advised to wait until next October or later by several top ministers and, it is believed, by her son, Rajiv, who is secretary of the Congress I party.

When the election eventually *comes, the balance of power* between Mrs Gandhi and senior opposition figures could be crucial to the overall result. Her position in the South of India has slumped since the last election, a factor which has been partially responsible for her keen interest in the problems of Tamils in Sri Lanka.

The Tamils are closely linked with the Southern Indian state of Tamil Nadu, where she has developed an understanding with the Chief Minister Mr M. G. Ramachandran, another ex-actor who was elected on a regional opposition ticket.

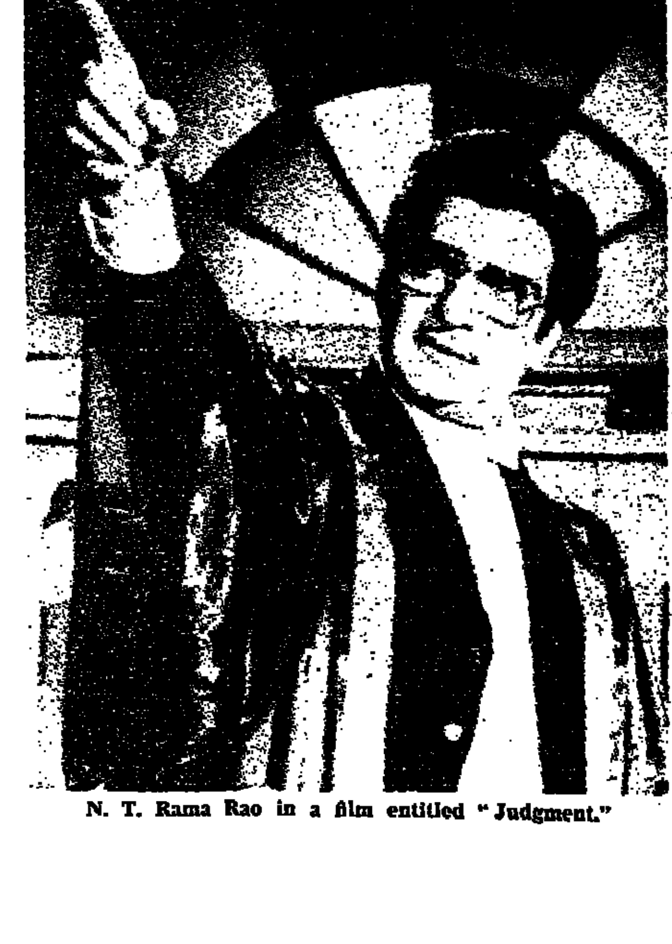
In the state of Karnataka, adjacent to Andhra, she is being accused of using rougher tactics, trying to undermine a fragile regime and put Congress I back *in power.*

Mr Rama Rao refuses openly to condemn Mrs Gandhi for this. As the leader of a regional, rather than a national political party, he believes that states should have their own parties, which would then work together across the country. Mrs Gandhi, whose power is centrally based, finds such ideas dfficult to accept.

But, unlike many other opposition Chief Ministers, Mr Rama Rao seems to want to stress links with Mrs Gandi. A photograph of them together hangs prominently in his home—the only other picture is of Mahatma Gandhi, the independence leader.

"I am friendly with Mrs Gandhi. We do not want a confrontation with her. She is our Prime Minister and I must honour her always," he says, gathering his orange shawl and dhoti around him.

On whether, after his first year of regional political power he has ambitions to be Prime Minister of India himself, he refuses to be drawn.



N. T. Rama Rao in a film entitled "Judgment."

Export tax credit plan likely to spark row in U.S. Congress

BY NANCY DUNNE IN WASHINGTON

TROUBLE is brewing in the House of Representatives for the Administration's proposed "Foreign Sales Corporation." export tax credit plan, designed to replace the controversial Domestic International Sales Corporation (Disc) programme.

The Administration proposed the scheme in March to pacify its major trading partners, particularly the EEC which complained that the Disc programme violated Gatt rules limiting Government export subsidies. Discs are export selling divisions of domestic U.S. companies which are able to take a tax break on the basis of their export performance.

Under the Administration's substitute proposal, U.S. companies would set up foreign corporations to handle export transactions, and the earnings from such sales would be allocated between the parent company and the foreign subsidiary on an "arms length" basis. The subsidiaries could then get special U.S. tax advantages.

Both schemes have drawn the ire of Mr Pete Stark, chairman of the House of Representatives select revenue measures subcommittee, which is likely to be assigned consideration of foreign sales corporations when the legislation moves in the House next year.

Mr Stark last week released a study of Discs. conducted by the Congressional research service, which concluded that Treasury reports have estimated only the initial transitory effect of Discs and overstated their impact on exports.

"Any tax programme this inconclusive and fuzzy should be terminated," Mr Stark said. "The Gatt has declared our Disc programme illegal. We should scrap the turkey and use the money we save to reduce the nation's deficits . . ."

Mr Stark favours scrapping the programme and probably will oppose its substitute as well, aides say.

While the new programme has significant support in the Senate, it must move through the Senate finance committee, where the Chairman, Mr Bob Dole, is disturbed about EEC proposals which could limit U.S. farm exports to Europe.

Lorne Barling explains why some companies' overseas sales efforts are flagging

W. Midlands finds small profit in exporting

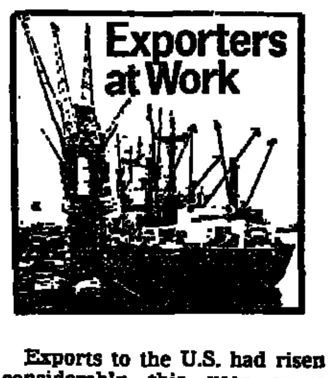
MANUFACTURING companies in the West Midlands, which make a vital contribution to Britain's visible exports, are increasingly concerned at their recent failure to increase the real value of their sales abroad.

According to the Confederation of British Industry, low volume and small margins on export contracts, which have often been won at considerable cost to the companies concerned, are now a major problem for some of them.

This applied particularly to European markets, where local competition had forced British companies to offer low prices, while the strength of sterling against key currencies had eroded profits.

Dr Kevin Hawkins, regional director of the CBI, said that despite productivity increases in the West Midlands, and some improvement in the UK's competitive position, exporters were still not as competitive as they were in the mid-1970s. The most recent gain in the UK's share of world trade was in 1977, he said.

"Overall, exports have been very flat for the past few months, mainly because of slow growth in EEC countries and the strength of sterling. But there is some optimism that the position will improve in the New Year," he said.



Exports to the U.S. had risen considerably this year as a result of its economic recovery and a favourable currency ratio, particularly assisting consumer goods manufacturers such as the tableware industry at Stoke-on-Trent.

"In Europe we have neither of these factors to help us, but there is reason to believe that demand will improve next year, and that sterling will fall in value against the Deutsche Mark and the French franc," he added.

Despite the problems, Dr Hawkins did not believe that many exporters in the Midlands would pull out of foreign markets and concentrate their activities on the slightly improved home demand, mainly because domestic volume in many sectors was too low to sustain their activities. "Companies like Lucas and GKN have invested heavily abroad and I believe there will be an upsurge of outward investment from the UK as retained profits rise and companies look for new opportunities," he said.

Mr Brian Varley, regional director of the British Overseas Trade Board, said that the motor components industry's exports had suffered severely in recent years due to changes in structure of the motor industry with increased imports from high volume producers abroad.

"An increasing number of component companies are not investing abroad because of lack of volume in the UK," he said, adding that engineering companies in general had suffered badly in foreign markets, with little sign of improvement.

"They are at a 10 to 20 per cent price disadvantage when competing in Europe, partly as a result of currencies, but also because of higher interest rates in Britain," he said.

Nevertheless many leading exporters in the West Midlands believe that next year's trade performance in EEC countries will be crucial, since Europe's domestic output will be increasing and more work will be available. "The big question is whether we can compete when there is so much spare capacity available in the countries concerned," Mr Varley said.

He believed that many British companies were still too slow in taking up a challenge of this kind. Europe was increasingly important in view of the problems being experienced in many of the UK's traditional Third World markets.

"A lot of our previously good markets are virtually shut down due to lack of cover by the Export Credits Guarantee Department. Land Rover, for example, has suffered severely for this reason," he said.

It is increasingly recognised, however, that recession in Europe has led to a rise in the number of non-tariff barriers being imposed, usually under the guise of border procedures and documentation.

Mr Arthur Jackson, head of the overseas department at the Birmingham Chamber of Commerce, said that almost all these procedures were totally illegal and should be resisted at the highest level.

Overall, he believed that the low margins on exports were now discouraging overseas sales efforts by some companies, which could no longer justify the high cost of foreign travel and other essential expenses.

Partly as a result of this, Britain's market penetration in European countries was not increasing as fast as intra-European trade generally. Italy, for example, was a growing market for France and Germany, but less so for Britain.

Mr Jackson believed that the financial structure of export contracts was now increasingly important in a buyers' market, and that companies in the West Midlands ought to do more to make terms more attractive to potential customers.

Similarly, he suggested more companies should make use of foreign currency invoicing as a means of reducing the risk of fluctuations. "A lot more companies are now invoicing in dollars, Deutsche Marks and yen, depending on which part of the world they are trading in," he said.

Export conditions all over the world were now difficult, even in previously good markets such as the Middle East, and exporters therefore had to look for new opportunities.

For example, aid - related project contracts were being funded on a very large scale by a number of EEC agencies, but success in this area needed intensive lobbying in Brussels.

He believed this was a good starting point for companies seeking to improve their trading position within Europe in the coming year.

Indonesia receives 110 orders for aircraft

The Indonesian Nurtanio Aircraft Company has received 110 confirmed orders for its new CN-235 passenger airplane for delivery from 1985, its commercial director, Mr Paramayuda, said, according to Reuter in Jakarta.

The CN-235, capable of carrying up to 38 passengers, is being developed jointly by Construcciones Aeronautices of Spain and Nurtanio and was test flown in Spain last week.

Local companies have ordered 86 aircraft and buyers in Spain have ordered 24. Negotiations are going on for the sale of 20 more to Thailand, Mr Paramayuda said.

Oil rig contract

Hyundai Heavy Industries, part of South Korea's Hyundai Business Group, has won contracts worth $280m to build offshore oil production platforms for India's Oil and Natural Gas Commision (ONGC), Reuter reports from Seoul.

The platforms, capable of processing 100,000 barrels of oil and gas per day, will operate off Bombay on completition by the first half of 1985

Assam gas turbine

Mitsubishi Heavy Industries said yesterday it had signed a Y1.2bn (£3.5m) contract to supply a gas turbine to Assam State Electricity board in India, AP-DJ reports from Tokyo. The turbine, developed with Westinghouse electric of the U.S., would have a genrating capacity of 15,000 kilowatts, officials said.

French ship purchase

Societe Navale Chargeurs Delmas-Vieljeux, a leading French shipper, confirmed Monday that it had chosen a Yugoslav company over a competing French shipyard to build four cargo ships, AP/DJ reports from Paris. Rijeka Shipyards have won a tentative agreement to build the ships because the Yugoslav prices were more competitive.

Baoshan steel deal

A Japanese consortium of steel mills and trading houses has concluded a contract to sell 150,000 tonnes of steel products for shipment in the first quarter of 1984 to China's Baoshan steel mill project near Shanghai, Reuter reports from Tokyo.

Egypt lifts ban on 'luxury' goods to limit inflation

BY CHARLES RICHARDS IN CAIRO

EGYPT is to resume the import of eggs and bananas in an effort to limit inflation in a shift in policy.

Imports of these and other "luxury" goods were restricted or banned last year to reduce Egypt's trade deficit and encourage local production and, as a political measure, to reduce the conspicuous consumption that was a characteristic of the Sadat era.

Local production proved incapable of meeting demand and prices have become higher than imports. Fighting inflation, especially in the lead up to the general elections in April, appears to be the prime consideration of the government. Inflation is officially set at between 13-15 per cent, but for middle class families it is over 30 per cent.

Egypt which imports over half its food is committed to trying to achieve self-sufficiency in food production through using better plant strains, greater mechanisation and paying higher prices to farmers.

The decision to import these food items represents a victory for those in Government who believe that controlling rising prices to fend off social discontent is more important than making the structural changes needed to achieve self-sufficiency.

At a meeting last week of senior members of the National Democratic Party the Minister of Agriculture said Egyptian consumers could save E£750m (£625m) a year if it imported all its red meat and eggs, although many experts feel such savings are impossible to quantify.

Officials say that bananas from Somalia will be sold at 75 piasters a kilo (about 60 pence) as opposed to up to 140 piasters for local bananas, the current street price.

South Africa wavers over import replacement policy

BY BERNARD SIMON IN JOHANNESBURG

SOUTH AFRICA'S fervour for lowering its dependence on strategic imports claimed another victim last week. Barlow Rand, the country's largest industrial conglomerate, announced that it has closed the assembly plant near Cape Town for Oshkosh Heavy Trucks, manufactured under licence from Oshkosh of the U.S.

The factory, which has produced 2,000 vehicles in the past 15 years, was shut because Oshkosh refused to replace imported caterpillar engines trationally mounted in its vehicles with local diesel engines produced for the past two years by a state-owned company at Atlantis, north of Cape Town.

The Oshkosh decision coincides with growing doubts in government (and some private sector) circles about the wisdom of the aggressive encouragement of import replacement which has characterised South Africa's trade policy for the past two decades.

Within 24 hours of the Oshkosh announcement Dr Dawie de Villiers, the Minister of Industries and Trade, said that Pretoria was preparing to dismantle import controls on textiles in favour of more selective customs tariffs. In the past few weeks, the Government has also abolished import controls on fertiliser and cement.

The softening in official policy towards imports is a relief to distributors of imported products and manufacturers which have complained bitterly in the past about having to buy raw materials from over-protected local industries.

Mr Michael Getz, president of the National Clothing Federation, said he hoped the decision to phase out controls on textile imports will make South African producers more competitive. "South Africa has landed up with the most expensive raw materials for clothing in the world," he said.

On the other hand, signs that the Government's commitment to self-sufficiency is wavering has angered many industrialists who have been encouraged during the past 20 years to set up plants to replace imports.

Among these are the Sasol oil-from-coal plants, the Atlantis diesel engine factory and a synthetic rubber facility which began production last year. Self-sufficiency has also become the justification for investments by many other, less strategic industries, including textiles, paper, domestic appliances, footwear and electrical machinery.

These sectors have relied on stiff customs duties to ensure their viability. Not only are their production runs generally small, and thus unit costs high, but they have generally not been able to compete with foreign goods on variety and, in many cases quality.

To make matters worse, South Africa's double-digit inflation rate over the past decade has forced them to keep applying for even more protection against imports. Even this has proved inadequate in recent years when foreign suppliers have offered their products at cut-throat prices.

Local manufacturers are openly critical of the Government for not responding more quickly and effectively to their plight. Mr Mike Rosholt, chairman of Barlow Rand, said in his annual review recently that indications of a move away from tight protection of local industry "have led to considerable uncertainty in business circles."

He warned that decisions to invest in strategic, import replacement industries "will certainly not be taken in the future if the current ambivalent attitude of Government persists."

While the authorities are wary of giving any clear guidelines, the Government has begun to realise the costs of import replacement.

Dr De Villiers told the Financial Times that import control "tends to limit competition and leads to inflexible prices."

But he pointed out that "it can be disruptive if import control is removed all at once in respect of certain products. Industry will not be left in the lurch."

The assurance is cold comfort for companies which have recently felt the full blast of foreign competition for the first time. With the Government anxious to bring down inflation, and imports the only source of competition to the monopolies and cartels which dominate South African business, the days of molly-coddling local industry appear to be ending.

APPOINTMENTS

News International managing director

Mr Bruce Matthews has been appointed managing director of NEWS INTERNATIONAL, owners of The Times, The *Sunday Times, The Sun* and the News of the World. He takes over the managing directorship *from* **Mr Rupert Murdoch**, who remains chairman and chief executive. Mr Matthews, who is also managing director of News Group Newspapers, has been a director of News International since 1972. He was deputy *managing director from 1977.* Previously, in Australia, Mr Matthews was chairman of the Argus and Australasian and manager of the Melbourne Herald.

★

Mr John H. Churchill has been appointed chief executive of SHELVOKE AND DREWRY, principal subsidiary of Butter*field-Harvey, from January 3. He* joins after nine years with Sperry Vickers, latterly as director of operations, UK and France. **Mr W. T. Lees** will continue as chairman for a short hand-over period. Internal *appointments* are: **Mr G. J. Eades**, spares and service director; **Mr R. P. Farr**, personnel director; **Mr S. J. Gill**, production director; and **Mr D. C. Headon**, home sales director.

★

IN TOUCH BUSINESS CENTRES has appointed as chairman **Mr Albert Rose** who continues as international director of Air Call Holdings in addition to his new responsibilities. Managing director is **Mr** ***Roger Penlington.*** *He joined* from Air Call where he was regional director for the south east. **Mr Maurice Henchey**, deputy managing director of Air Call (substantial shareholders of In Touch Business Centres) also *joins the board of the* Heathrow-based company.

★

The INSTITUTION OF GAS ENGINEERS has appointed **Mr Derek J. Chapman** as secretary designate from January 1. He *is a* transmission engineer with Eastern Gas.

★

THAMES TELEVISION has appointed **Mr Mike Phillips**, managing director of Thames Television International, as an executive director of Thames Television Ltd, from January 1.

★

THAMES TELEVISION has appointed **Ms Marjorie Sigley** as controller of children's programmes, in place of **Mr Julian Mounter**, who has resigned from both Thames and Cosgrove Hall Productions to return to active programme-making. Ms Sigley will join Thames in January. Her career in television spans nearly 20 years both here and in America, and this year she produced Thames drama series for children, "Marmalade at Work," which will be transmitted next year.

★

Mr Christopher R. P. Carver has been appointed marketing director of ELEY, subsidiary of *IMI. He was with Unilever.*

★

Mr T. A. Robertson has been appointed a director of JOHN PLUMER AND PARTNERS from January 1.

★

Mr David D. Green has been appointed deputy chairman of the industry division of *HOECHST UK from January 1.* He will also be executive director of industrial division I, which includes the chemicals, plastics, Kalle Informatics, Kalle Films, Sigri and Goldbach product sectors. He succeeds **Mr** ***Dieter Thilenius*** *who is taking up a senior appointment in the* plastics division of Hoechst in Frankfurt. Mr Green has been *with ICI* for 28 years and was recently a director of the Mond division in Cheshire. **Mr Andrew Donald** has been appointed group treasurer of Hoechst UK from January 1. He was previously group treasurer of *Laporte* Industries (Holdings).

★

Mr Alan Ogden and **Mr Tim Mitchell** have been appointed directors of CHARLES BARKER CITY from January 1. Mr Ogden joined Charles Barker in June this year from the Lopex group where he was development director of St James's Corporate Communications and its associated companies. He was previously with the advertisement department of the Financial Times. Mr Mitchell joined Charles Barker in 1974

★

Mr P. E. Hammond, deputy chairman, will retire from the HONGKONG AND SHANGHAI *BANKING CORPORATION*, at the annual meeting on May 8. He joined the bank in 1948, has been an executive director since March 1980 and was appointed deputy chairman in October 1981. **Mr William Purves**, at pre*sent executive director banking*, will succeed Mr Hammond as deputy chairman. **Mr Robert Farrell**, at present group staff controller, will join the board in May as an executive director. Mr Purves has been executive *director* banking *since August* 1982. He is also chairman of Wardley, Hongkong Bank Group's merchant banking subsidiary. He has been with the bank since 1954. Mr Farrell has been group staff controller since January 1980.

★

Mr Anthony L. Miles has been appointed operational audit manager at BRITISH GAS headquarters.

ENERGY REVIEW

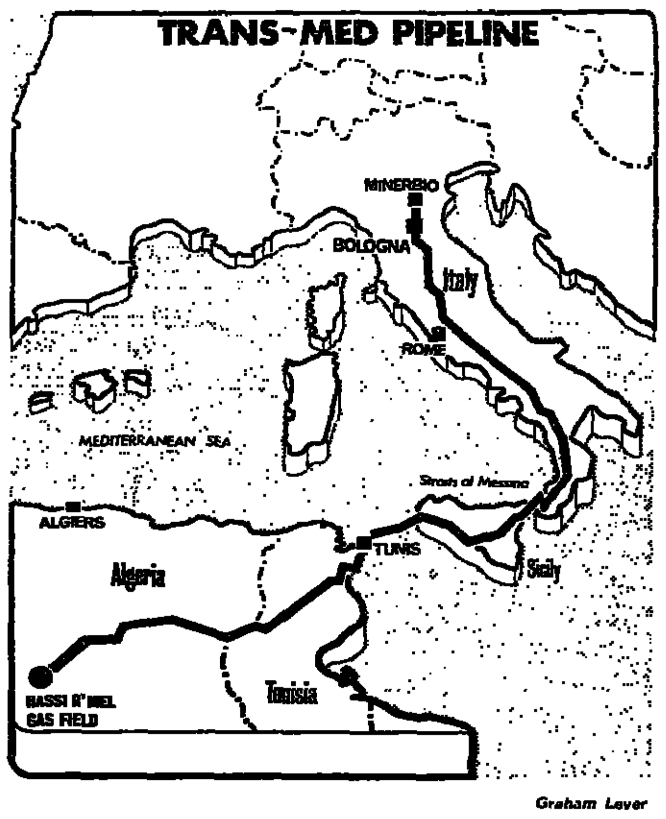
Italy makes a big switch to gas

By James Buxton in Rome

"NATURAL GAS is *showing* itself to be Italy's only substantial alternative energy source," said an observer of the Italian *energy scene recently.*

While little progress has so far been made on most aspects of the 1981 National Energy Plan, whose primary aim was to reduce Italy's acute dependence on imported oil, the country is suddenly facing an abundance of gas, thanks to the coming on stream of the Algerian gas pipeline. Though the new nuclear power stations promised *by the plan have* yet to be started, Enel, the electricity utility, is converting oil burning *power stations* to take gas in order to cope with the glut.

What is more, official plans for the use of natural gas are so extensive that Italy intends to take gas from the new Siberian gas pipeline and envisages consuming 40 per cent more gas in 1990 than it did in 1982. If other energy *sectors, such as nuclear, fail to* meet their targets, as seems certain, natural gas may be meeting rather more than the 19.5 per cent of national energy needs predicted *for* 1990. It accounted for 16 per cent in 1981.



Graham Lever

In a country where progress on anything to do with energy *is agonisingly slow*, the gas programme could be regarded as a a potential success. But it is not short of critics. *They point* to the high price Italy is paying to Algeria, and question the increased burning of a "noble" fuel like gas in power stations.

Italy's basic problem is its shortage of indigenous energy resources, *apart from its 174bn* cu metres of gas, mainly under the Po Valley. It has little oil and it mines no coal.

Yet though the dependence on oil for two-thirds of energy needs became embarrassing in the 1970s, diversification was difficult. A programme of converting some power stations from oil to coal went ahead, but the building of new power stations — whether coal or nuclear—was *largely* blocked by local opposition groups which successive governments dared not offend.

Attitudes have changed dramatically in the last few years, and opposition *to nuclear* power has greatly declined. One 2000 MW station is being built, and construction of two or three more should get under way by 1985. Some regional governments are even asking Enel to site nuclear power stations in their territory.

Nevertheless, the authorisation procedures are so slow and construction times so long that there is no chance of getting much nuclear capacity on stream before the mid-1990s.

Meanwhile, earlier enthusiasm for a big programme of building coal-fired power stations is waning, because of the cost of the transport infrastructure and *environmentalist* opposition. But luckily the slower rise in energy consumption has taken some of the pressure off. That makes gas currently Italy's only real alternative energy source, the only thing permitting diversification away from oil.

Last year Italy had gas supplies of 26.7bn cu metres. Of this, 13.2bn cu metres came from its own production and a further 13.5bn from the Soviet Union (8.6bn) and Holland (4.9bn). But in the last few months the first gas has been *flowing from Algeria through* the trans-Mediterranean pipeline. Although only about 20m cu metres a day is arriving at the moment. Italy has contracted to take 7bn cu metres by next September and a further 9bn cu metres by September 1985. The contract is for 25 years but price and quantities will be reviewed in 1985.

The story of the Algerian gas pipeline is a tortuous one. Italy *originally agreed to buy the gas* in 1977 and undertook the entire construction and financing of the 1,500 mile pipeline at a cost of $3bn, which is considered a technical masterpiece by Saipem, the pipelaying subsidiary of ENI, the state energy company. Because Algeria had not contributed to the building of the pipeline, Italy was in a weak bargaining position when the Algerians insisted on re*negotiating* the original price agreement.

The Italian position was further undermined by the decision of President Mitterrand to pay Algeria above the market price for France's own gas supplies. Algeria also wielded pressure by withholding contracts with Italian companies. *Political pressures for a settle*ment mounted and the Italian Government in September 1982 agreed to pay Algeria $5.40 per million BTU (British Thermal Unit)—50 cents more per mBTU of gas than Snam, the gas subsidiary of ENI, was prepared to accept. Italy acceded to Algeria's *demand that the price be in*dexed to a basket of crude oils, rather than linked to petroleum products.

There followed a further delay while Snam obliged the government to pass an act of parliament guaranteeing it the difference between the economic and the political price, which will amount to L540bn (£200m) over the initial three year period.

Even though the arrival of the first gas was held up for a year and a half because of the haggling, little was done to make sure that there would be new consumers for the gas when it arrived. The pipeline will eventually go all the way to Minerbio, near Bologna, where it will join the main north Italian pipeline network. Work on it is now going on north of Rome. But though one of the *objects of the gas pipeline was* to benefit southern Italy, the subsidiary distribution networks for domestic consumers have barely been started in Sicily, the first recipient of the gas. Those involved blame bureaucratic muddle and inertia.

However, the Sicilian regional government had been promised *3.6bn* cubic metres of *gas* a year by law and was determined to make use of it. From this *arose* the idea that Enel, the electricity authority, should burn the gas in two oil-burning power stations on the island.

The Sicilian embarrassment was only part of a wider problem: What should Snam do with the extra gas until local networks had been built and consumers connected up, especially *at a time of lower demand from* big industrial users in the north due to recession? Snam's answer was to offer Enel a three year contract under which it would burn an extra 1.5bn cubic metres of gas a year, taking its consumption up to 4.2bn cubic metres, and convert five or more power stations *to take gas* as well *as fuel oil.*

Since gas is normally more expensive than the combustible equivalent of fuel oil, Snam offered Enel the gas on very attractive terms, charging a price equivalent to that of high sulphur fuel oil instead of the low sulphur fuel oil which it will actually replace. As a result, Enel may actually be able to cut its fuel costs. The contract is likely to be renewed in three years' time: indeed Snam's projections envisage Enel taking up to 5.5bn cubic metres of gas by 1990.

The critics say that Snam should not sell a "noble" fuel like gas to be used in power stations, and certainly not at a knock-down price. But Sig *Luigi Meanti, deputy chairman* of Snam, says that the contract is profitable for Snam and also highly convenient. "A gas utility needs to have contracts that it can interrupt in order to meet the requirements of non-interruptible customers in times of shortage. We can interrupt supplies to Enel, who can *switch* back to oil, but we can't interrupt our domestic and industrial customers," he says.

NATURAL GAS SOURCES

(Bn cu m)

	Domestic	Libya	Holland	USSR	Total
1978	12.9	2.5	6.1	5.6	27.1
1979	12.8	2.1	6.7	5.9	27.5
1980	13.0	1.4	6.6	6.4	27.4
1981	12.7	—	6.8	7.1	26.6
1982	13.2	—	4.9	8.6	26.7

He also points out that West Germany used 24 per cent of its natural gas supply in power *generation in 1981, compared* with Italy's 6.6 per cent in 1981 and 10 per cent last year. Japan has lately used more than 70 per cent of its gas in power stations. The average for the EEC was about 13 per cent in *1981.* The world's proven gas reserves, though slightly smaller in terms of petroleum *equivalent than those of oil, are* being drawn down at about half the rate.

Apart from completing the pipeline from Sicily to the north, Snam and its distribution subsidiary, Italgas, are engaged in a vast programme of extending Italy's gas network, with the aim of bringing 3m more homes onto gas by 1990. Some *L9,000bn* is to be spent during the rest of the decade on bringing gas to *440 centres in the south and to* 420 networks in the north and centre of the country. It is envisaged that by 1990 76 per cent of Italians will live in towns that are on natural gas. By that year Snam envisages Italy consuming between 37.5bn and 39.5bn cu m a year, against last year's 26bn.

Snam's projections of supply and demand show that extra supplies will be necessary later *in the decade, partly because* demand will be higher and partly because supplies from Holland are expected to decline as Dutch reserves drop. The contract with Holland is not expected to be renewed after 1992, when it expires.

The Italian Government is therefore expected *to* reopen negotiations with the Soviet Union on taking gas from the *new Siberian* pipeline, now being completed. A technical agreement under which Italy would take up to 8.5bn cubic metres a year was signed in early 1982 but never ratified, partly because of pressure from the U.S. Government and partly because of domestic political difficulties.

But when the talks will be reopened depends on both domestic and international considerations.

The Siberian gas pipeline now appears an attractive option for Italy, not least because it could pave the way to a revival in the country's traditionally strong exports to *the USSR* and *because it is* thought that the gas would be cheaper than that from Algeria — a price of $4.75 per million BTU was in the original agreement, against the starting price for Algerian gas —which indexation has subsequently brought down—of $5.40. However, it is unlikely that *Italy would at this stage* commit itself to taking as much gas as it originally agreed.

Though no one confirms it openly, there are strong suggestions that one of the attractions of an early contract for Soviet gas would be that this would put Italy in a strong position to get the price of Algerian gas down when the three-year contract comes up for renewal in late 1985.

*Nevertheless Italy is also con*sidering an eventual increase in Algerian gas supplies, above the 12bn cu m a year which the pipeline is capable of delivering and which may be reached after 1985. It is discussing increasing the capacity of the pipeline, either by doubling the stretch of it in Algeria or by installing *more pumping stations, or by* a combination of the two. The maximum that capacity could go up to is about 24bn cu m a year.

Part of this is aimed at fulfilling Algeria's long-term objective of using the pipeline through Italy to sell its gas to other European countries.

UK NEWS

Thatcher dismisses Euro report on Ulster

By Kevin Brown

THE EUROPEAN Parliament's report on Northern Ireland was firmly dismissed by Margaret Thatcher, Prime Minister, in the House of Commons yesterday.

The report, which was the result of an 11-month inquiry, by Mr Nils Haagerup, a Danish liberal European MP, says Irish unity is not possible in the foreseeable future.

Mr Haagerup calls, however, for the involvement of the EEC and the Republic of Ireland in political and financial moves to end violence in the province.

Mr David Steel, the Liberal leader, asked Mrs Thatcher whether she would now consider a parliamentary forum of Irish and Westminster MPs.

Mrs Thatcher told him: "I take the view that the European Assembly is not entitled to discuss the political affairs of a member state. It is a view I believe every state in the European Community must continue to adhere to." She said an Anglo-Irish parliamentary body was a matter for both parliaments and not for the Government.

Her reply reflects continuing British annoyance over the report, which was compiled without co-operation from the Government. It was bitterly condemned by Ulster Unionists as an interference in Britain's internal affairs.

Aid for regions falls under Government cost-saving scrutiny

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

REGIONAL AID policy in the UK is to become much more selective. The Government intends to get better value for money from its spending, which reached a record £917m in 1982–83.

The Government is also attempting to cut the amount spent, which is expected to fall at current prices to £643m, this year, according to a White Paper (policy document) which was published yesterday.

Mr Norman Tebbit, Trade and Industry Secretary, would give no indication yesterday of how much the Government expected to save. He would not say whether he intended to "trim" or "slash" the amount.

The White Paper firmly attaches the Government to regional policy, though it doubts whether it produces a net national economic benefit to the country. "The case for continuing the policy is now principally a social one, with the aim of reducing regional imbalances in employment opportunities", it states.

Mr Tebbit told the House of Commons that the new policy would "end the present unjustified payment of expensive aid to projects which create few jobs in the assisted areas".

More service industries will be brought within the scope of regional policy, and a cost-per-job ceiling imposed on the amount given. Mr Tebbit is determined that the £35,000 average (at 1982 prices) experienced in the 1970s will be cut sharply.

It seems certain that the map of assisted areas will also be redrawn, partly to take into account the 1981 census and partly to allow for new factors such as the industrial structure of an area, or its distance from markets.

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£ 650m property merger

BY MICHAEL CASSELL, PROPERTY CORRESPONDENT

SLOUGH ESTATES, the UK's largest industrial property group is merging with Allnatt London Properties and Guildhall Property. It will create a Group with a market capitalisation of nearly £330m and a property portfolio worth £650m.

The agreement, which follows the earlier breakdown of talks between the three parties, involves Slough offering nearly £100m in cash, loan stock or shares for Allnatt and the 40 per cent stake in Guildhall not already owned by Allnatt.

The cash offer is equal to 245p for each Allnatt share and 162p for each share in Guildhall.

Candidates spent £6m on path to Parliament

By Peter Riddell, Political Editor

MEMBERS of Parliament learned yesterday what it had cost to have them elected at last June's general election. Mr Leon Brittan, the Home Secretary, disclosed that the 2,578 candidates for the 650 seats in the House of Commons had spent a total of £6.1m in election expenses.

This sum is less than half that spent by a single candidate for the governorship of Texas last year. Mr Walter Mondale and Mr John Glenn have both raised more than twice as much in their bids to become the U.S. Democratic presidential nominee next year.

The British figures admittedly exclude money spent outside a constituency by the national political parties and associated organisations. While no precise figures have been released, total spending by the major parties was probably somewhat over £15m, the greater part by the Conservatives. None the less, this sum was still much less than any U.S. presidential candidate will spend next year even to be selected by his party.

The June 1983 total was an increase of 73 per cent on the figure for May 1979 with virtually the same number of candidates. This is an increase of 11 per cent in real terms.

The maximum amount which a candidate and his local party can spend, excluding personal hotel and travelling expenses, is fixed by law and was raised earlier this year. For June, it was a basic sum of £2,700 per constituency plus an additional 3.1p per elector in an urban constituency and 2.3p in a county constituency.

About one third of the candidates spent 80 per cent or more of the legal maximum to which they are entitled, while about a fifth – generally those representing fringe parties – spent less than 20 per cent of the maximum.

Not surprisingly, the highest spending was in the biggest constituency, the Isle of Wight, with 95,000 electors. Mrs Virginia Bottomley spent £5,600 but lost by 3,500 votes to Mr Stephan Ross, for the Liberals, who spent £5,590.

Anti-arthritis drug withdrawn

BY CARLA RAPOPORT

THE PRODUCT licence for Flosint, an anti-arthritis drug marketed by Farmitalia Carlo Erba, part of the Italian Montedison group, has been suspended by the Health Department on grounds of safety.

The move comes as a heavy blow to those pharmaceutical companies aiming to introduce new products into the $2.5bn worldwide market for anti-arthritics.

Flosint's suspension marks the fourth withdrawal of a drug in this category in just over a year. Other anti-arthritics on the market may now be subject to re-labelling or suspension following renewed scrutiny of these drugs by international licensing agencies.

The Committee on Safety of Medicines reported yesterday that 217 patients have suffered adverse reactions as a result of using Flosint over the last year. It also said that the use of the drug was linked to seven deaths in the UK. Flosint was introduced in Britain in September 1982.

The Health Department said yesterday that Farmitalia intended to withdraw the drug itself, but the urgency of the case forced the Government to act immediately.

Officials at Farmitalia UK were not available for comment yesterday.

The Committee on Safety of Medicines and its counterparts in other countries have been reviewing the category of non-steroidal, anti-inflammatory drugs in recent months with a view to re-labelling or withdrawing those products which cause side-effects of an unacceptable level.

Flosint, a propionic acid derivative, is also on sale in West Germany, Italy, Greece and Latin America.

A broader view on non-steroidal drugs by the UK Committee on Safety of Medicines is not expected to be completed until January. It is not known yet whether the results of this investigation will be made public.

UK NEWS

Rhône-Poulenc plans stronger British base

BY LISA WOOD

RHÔNE-POULENC, the nationalised French chemicals group, aims to establish a stronger marketing and industrial base in the UK with a rationalisation of its businesses in Britain, it announced yesterday.

The group has combined its UK chemicals activities into a new international operating division of May & Baker, which was bought by Rhône-Poulenc in 1927.

The new May & Baker chemical division is made up of May & Baker Fine Chemicals, Rhône-Poulenc (UK) and Rhône-Poulenc Systems. It spans ten different UK-based businesses handling some 5,000 products covering 65 industrial markets and turnover is expected to be some £150m ($214.5m) this year.

No new jobs are expected to be created by the rationalisation in the short-term but expansion of the division's activities in the longer-term should lead to an increase of the current 600 workforce.

New product developments are expected to include additional added value chemicals such as additives for the food industry.

Mr Alain Coine, general manager of the new chemical division said: "This rationalisation of the chemical activities within the group in the UK gives us all the elements to establish a strong marketing and industrial base to adapt to the changing needs of the numerous industries we serve, both in the UK and overseas, and to expand our chemical production in this country by way of investment in our existing sites and by acquisition and joint ventures.

"This new structure will allow us to modify our driving force, which until now has been primarily 'product offer' and which will become 'market needs.'"

A new market approach is being implemented which includes a reorganised sales force, a new distribution and trading department and a complete reassessment of manufacturing capabilities.

Dr Keith Humphreys, managing director of May & Baker said a significant amount of the company's annual £15m-£20m investment would be diverted into the new chemical division. May & Baker's two other divisions are agro-chemicals and pharmaceuticals.

The major activities of the three companies in the new division are the manufacturing and marketing of laboratory and photographic processing chemicals and organic and inorganic chemicals.

UK seeks Chinese oil orders

By Ian Hargreaves

BRITAIN has presented the Chinese Government with an outline proposal which, it is hoped, will play a key role for the British Offshore Supplies Office in the development of China's offshore oil.

Mr Peter Walker, the Energy Secretary, personally handed over the 25-page document to the Chinese ambassador earlier this week.

The document is intended as a formal follow-up to proposals made verbally by Mr Walker during his visit to China last month.

It sets out Britain's experience in developing its own oil resources and suggests that a similar approach, benefiting from British knowledge of potential pitfalls, would be valuable to the Chinese.

Mr Walker's covering letter to the report confirms his invitation to the Chinese to send a high-level delegation to Britain early next year.

The idea behind the exercise is to establish strong and permanent links between the two governments so that British industry is placed in a stronger position to win orders in what is considered one of the more promising oil exploration areas in the world.

Several British companies are already involved in exploration off the Chinese coast, including British Petroleum, Cluff Oil and Tricentrol. Several other companies have also won orders, among them Houlder-Comex, British Airways Helicopters, Wimpey Offshore and John Brown.

There is strong competition for work and pressures from rival governments, but Mr Walker returned from Peking with a strong convicition that an important opportunity existed for Britain because of the similarity between the task now facing China and that undertaken by Britain since the early 1970s.

Ulster loses two thirds of newly created jobs

BY OUR BELFAST CORRESPONDENT

TWO THIRDS of the jobs created in Northern Ireland by government industrial development grants since the Second World War had disappeared by last year, according to the Northern Ireland Economic Council.

In a report on the effects of Government financial assistance, the council said 137,000 jobs were created between 1945 and 1982. Only 45,000 of those jobs still existed in June last year, but they represented 40 per cent of all the manufacturing employment in the province. "Although this survival rate may appear low, it is broadly similar to the experience in the Irish Republic," the report said.

The council, which advises the Northern Ireland Office on economic policy, examined 673 projects assisted under Government schemes. The study was restricted to what is termed selective assistance, which takes the form of grants and loans linked to employment targets.

Newer and larger projects had created more durable employment, but the cost of grants suggested it might be more cost-effective to create employment in small and medium-sized firms and in the expansion of existing companies.

Grants had helped to diversify Ulster's industrial base by developing new industries (man-made fibres, consumer electronics, car components and rubber products) and by the introduction of new processes and products to existing companies.

Much of this change was achieved by attracting investment from abroad, often in large projects from Western Europe and North America.

The report looked closely at Northern Ireland's synthetic fibre companies which, at one stage, accounted for a quarter of total UK employment in the industry and about 7 per cent of manufacturing jobs in the province.

Jobs in this sector were relatively costly to create and, when recession hit the industry in the late 1970s, the impact was severe on the local economy. The report said this underlined the need for the Government to maintain a balance between different industrial sectors in the application of its policy.

Today, new companies in Northern Ireland can negotiate aid which includes capital grants of up to 50 per cent of buildings, machinery and equipment, as well as employment grants linked to job targets and relief from Corporation Tax.

Systime chief resigns

BY GUY DE JONQUIERES

MR JOHN GOW has resigned as deputy chairman of Systime, the fast-growing Leeds-based minicomputer company which he helped found in 1972.

The company has appointed Mr Rod Attwooll as managing director. Mr Attwooll was previously managing director of the British subsidiary of Texas Instruments, the large U.S. electronics manufacturer.

Systime said yesterday that Mr Gow, who is 39, had decided to follow other business interests but would retain commercial links with the company. His co-founder, Mr John Parkinson, resigned last May, when Systime announced a major financial restructuring.

As part of that reorganisation the UK subsidiary of Control Data (CDC), the large U.S. computer manufacturer, acquired 41 per cent of Systime for £8m. Mr Vernon Sieling an executive of CDC, was made chairman and joint managing director of Systime.

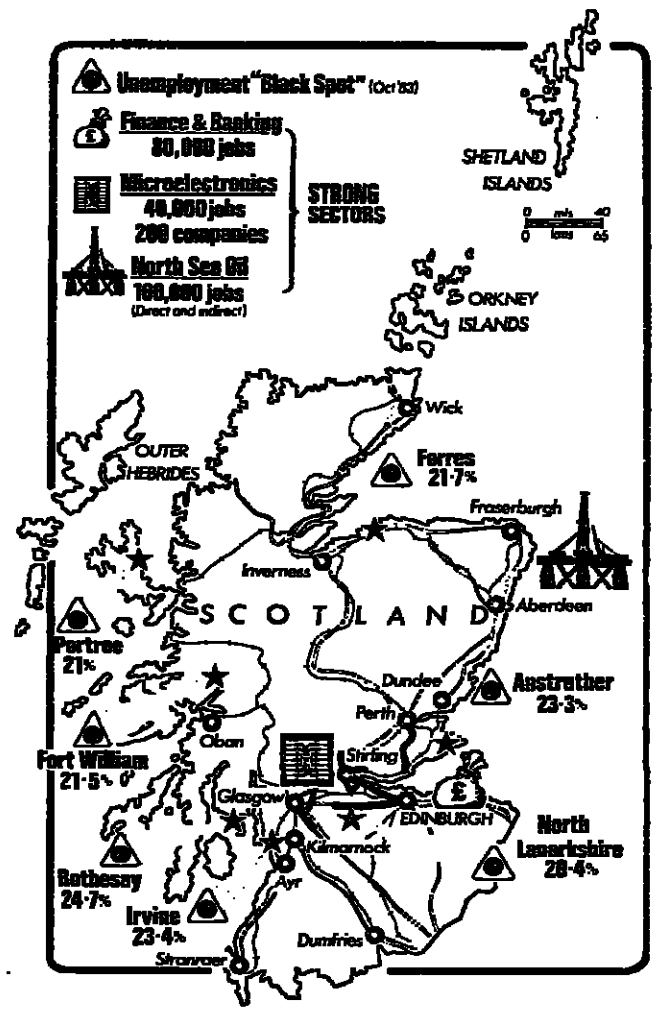
Systime said that Mr Gow's departure was amicable but that he had found his entrepreneurial talents were not being fully exploited since CDC made its investment.

He will retain his shareholding in Systime, about 1 per cent of the total equity. Arrangements are being made for him to supply components to the company and to market its equipment in Britain. Systime is also considering a proposal by Mr Gow under which he would take over the company's subsidiary in South Africa.

FINANCIAL TIMES SURVEY
Wednesday December 14 1983

Scotland

The growing electronics and service sectors are helping to make up for the huge loss of jobs in heavy industry. North Sea oil and its companies remain vital contributors to the country's economic health



Roger Taylor

Clydebank Enterprise Zone, a bright spot and important lever in Glasgow's industrial recovery.

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Strengths and weaknesses

By MARK MEREDITH, Scottish Correspondent

A HEALTHY FLUSH has returned to the patient's cheeks but he still has a worrying cough. The encouraging signs in Scotland these days are the strength of a growing electronics sector, the diversity of financial services, the new prospects for onshore companies serving North Sea oil development, and signs of recovery in the whisky and textile industries.

The discouraging symptoms are the havoc wreaked by the decline of heavy industry and the loss of one-third of Scotland's manufacturing jobs in the last decade (with the real danger of further shocks in steel and shipbuilding). There is, too, severe economic deprivation in the west of Scotland, and it remains an uphill struggle to win business to the country's peripheral areas.

This balance of strengths and weaknesses has had a curious effect on Scotland.

While in the past Scottish politicians and businessmen have made much of the country's distinctive problems, recent charts of Scottish and UK performance in industrial production are moving more or less in parallel.

Offsetting the gradual losses in engineering and heavy industries have been the new technologies and a burgeoning service sector which together are helping to make Scotland's economic profile much like that of other parts of Britain.

Indeed the West Midlands now has worse unemployment than the 14 per cent Scottish figure, and, according to Mr George Younger, Secretary of State for Scotland, the country's manufacturing productivity has been increasing by 5 per cent compared with 2 per cent for the whole of the UK.

Mr Younger may, therefore, have a tough case to put to government to uphold the bias of regional aid in Scotland's favour — £341m of the total £820m in UK regional assistance last year.

Moreover, much to the envy of other regions, Scotland has its own well-established mechanisms for making concentrated and co-ordinated drives against industrial problems. It has also had the benefit of vigorous industrial promotion by the Scottish Development Agency.

Today entrepreneurs have begun to appear, especially in sectors like electronics. The universities, too, have made themselves ready and able to work with industry and to try their hand at marketing goods.

Electronics may be the one area which is assuming a momentum of its own. The industry now employs 36,000 to 40,000 people—about the same as the total of 16,000 in shipbuilding, 14,000 in mining and 11,000 in steelmaking.

An important sub-stratum has appeared too, of small companies, serving the needs of the big multinationals such as IBM, Honeywell, Burroughs, and Motorola which act as anchor points.

New companies like Rodime of Glenrothes in Fife with new disc drives or Future Technology Systems with computer production in Beith and Fortronic with banking terminals in Fife, are the kind of proliferation the industry has wanted.

Involved

What still lacks in this area is the right kind of corporate inter-mingling of ideas. The multinationals that have moved in have generally not become involved in new product ventures with local companies and other similar forms of cooperation. Instead, the relationship has been a conventional sub-contracting one.

The real market for Scotland's electronics goods is in Europe, and not at home, so the interaction with the client close at hand is also missing.

At the same time North Sea oil, Scotland's other major new industry, has entered a new period of tax stimulated expansion after a rather fallow period. This coincides with an awareness of the need to expand the role of British industry in offshore technology.

As many as 100,000 jobs are directly or indirectly involved in North Sea oil and it has been an essential factor in Scotland's improved economic health.

But, whatever the proximity of electronics and North Sea industries, the two do not interact in the way the planners would like to see.

This coming year, with public agency initiative, a new push will start to encourage cross-fertilisation between these two fields.

Electronics has by contrast intermingled well with the banking sector, an area now employing 80,000, and the three Scottish banks have led the UK with the introduction of new banking technology.

The face of the banking sector is changing as the three clearing banks—the Royal Bank of Scotland, the Bank of Scotland, and the Clydesdale Bank—feel the impact of the move by the newly-restructured Trustee Savings Bank into the already over-saturated retail banking market.

The Bank of Scotland has its sights on new business in England. A successful marketing tool has been Gains, a computerised service sorting out the myriad of aid schemes available to business.

The Royal, meanwhile, is planning to become the fifth High Street bank in the UK with the merger of the Royal and its English subsidiary, Williams and Glyn's.

There has also been considerable activity elsewhere on the banking and financial scene. The past year has seen the formation of a would-be merchant bank, Quayle Munro, a would-be private bank, Adam and Co. and a new financial go-between service, First Northern.

The departure of some international banks from the scene such as First Chicago have reflected the greater corporate banking activity of the British banks in Scoland.

Yet for all the encouragement which developments in these sectors offer, the problems remain. The stimulation of new industry still requires very heavy public sector funding, and great ingenuity is needed to bring in private sector finance.

Another worry which has long been prevalent in Scotland has been the vulnerability of large and medium-sized companies—in many cases prospering—to outside take-over and the consequent transfer of decision-making activities south of the border. This concern was expressed most recently in the acquisition by the mining group Charter Consolidated of Anderson Strathclyde, the mining equipment manufacturers.

It is in the heavy industries, however, where the most bitter struggle remains. By the end of the year Scotland will know the fate of two key employers, each with 4,500 workers: the British Steel Corporation's Ravenscraig works and Scott Lithgow Shipbuilders, part of British Shipbuilders, on the Lower Clyde.

Sceptical

A reprieve has been granted to Ravenscraig by the Government, but a further proposal by Mr Ian MacGregor, when head of British Steel, to twin crude steel production in Ravenscraig with finished steel production at U.S. Steel's Fairless works in Pennsylvania is still under discussion.

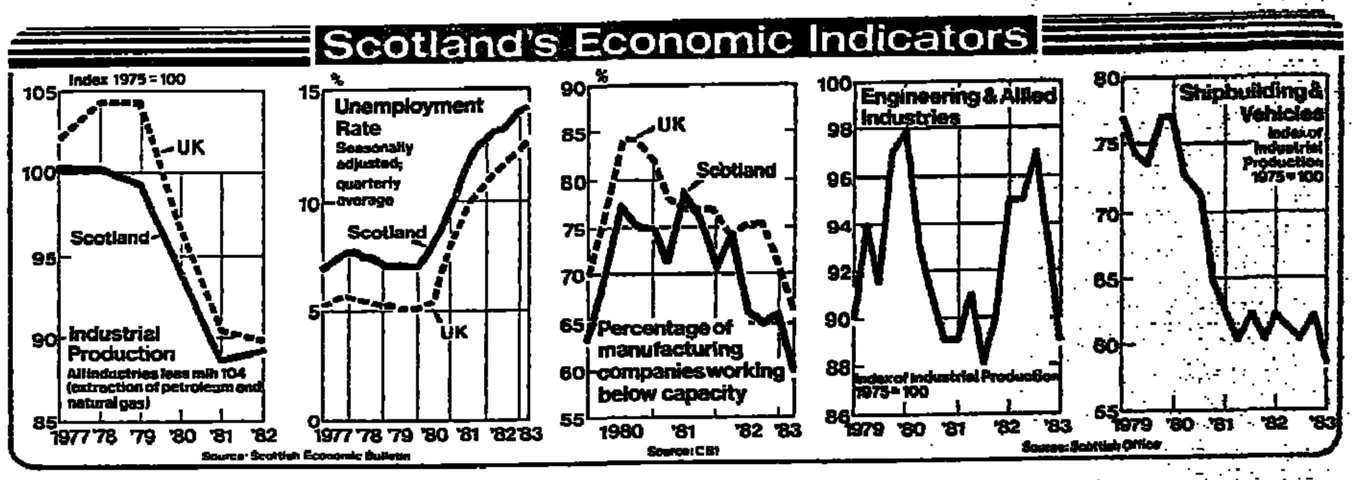
Mr Younger has been openly sceptical of a scheme which would see about 2,000 jobs lost in Scotland with the closure of steel finishing at the Ravenscraig complex.

Shipbuilding faces a very bleak future. The biggest yard, Scott Lithgow, with a record of poor productivity and late deliveries, faces certain closure if an £86m contract for a semi-submersible rig from Britoil is cancelled because a final deadline cannot be met.

The Government, while backing Ravenscraig, has not stepped in visibly behind Scott Lithgow except for publicly expressing hope that the issue can be resolved.

Mr Younger, in a Commons debate on Scotland last month told the opposition: "We reject the option of continuing to pour money into declining industries, simply to avoid the social consequences, because such subsidies would never create lasting jobs or real wealth."

The onus, it now seems clear, is on Scotland's newer industries, and on electronics in particular.



Devolution re-emerges as Labour's cause

SCOTLAND PRESENTS a political paradox. It is an area where the British Government is beginning to claim some success for its economic policies, yet in terms of seats in Parliament the country remains solidly Labour.

As Mr George Younger, the Secretary of State, put it in the House of Commons last month: "In 1971 Scotland was ranked eighth among the United Kingdom planning regions in terms of GDP per head of population. Scotland has now risen to second place in that league."

Even in the unemployment tables the old differential between Scotland and England has almost disappeared. Last month seasonally-adjusted unemployment in Scotland, excluding school leavers, was 13.9 per cent. The comparable figure for the West Midlands was 14.5 per cent, for the North West 15 per cent and for the North 16.2 per cent. The UK average was 12.3 per cent.

None of this, however, seems to rub off on to Scotland's politics. In the general election last June Labour won 41 out of the 72 Scottish seats. True, the performance was not quite as good as in 1979 when it won 44 out of 71. There was also a loss of some 220,000 Labour votes, mainly in areas outside the central belt and Strathclyde. But compared to what happened to Labour in the rest of Britain, the losses were as nothing. In Scotland the Labour Party is entrenched.

There is every reason to believe that it will remain so for the foreseeable future. The Scottish Nationalist Party, which seemed such a force in the 1970s, has lost its fire and much of its support. It is now down to about 10 per cent in the opinion polls. The Conservative Party in Scotland, although it has 21 seats in Westminster (22 last time), always seems slightly dormant. The only new challenge last June came from the Liberal-SDP Alliance which won eight seats against the Liberals' previous three.

Contingent

The Tories hold five of the eight Scottish seats in the European Parliament, for which elections are due in June next year. Labour holds two and the Nationalists one. There could be some changes there, but they are unlikely to be in the Tories' favour.

This sustained support for Labour in Scotland could, in time, have a profound effect on the Labour Party in Westminster and indeed on Westminster politics as a whole. For the more the Labour vote in Scotland holds up, while it declines in the rest of Britain, the more potentially powerful the Scottish contingent becomes.

Edinburgh, seat of power and commerce. Many still hope the city will also be home to a Scottish Assembly in the future

The results of the 1979 general election gave Labour 268 MPs, 44 of whom were from Scottish seats. This time the number of Labour MPs fell to 209. Thus Scotland's representation in the Parliamentary Party has risen from one-sixth to one-fifth. The not wholly impossible aim at the next general election is to win around 50 seats.

So far there is no particular evidence of the Scottish MPs voting as a bloc. For instance, there was no Scottish slate in the elections to the Shadow Cabinet. And it has to be admitted that the Scottish Labour MPs are not the most homogenous bunch: they include Mr Tam Dalyell, Mr Dennis Canavan and Dr Jeremy Bray, who are more distinct than similar.

Already, however, there is a Scottish flavour to Labour's front bench. Mr John Smith, the Shadow Secretary for Trade and Industry, and Mr Robin Cook, who organised Mr Neil Kinnock's leadership campaign, are the outstanding examples. Although outside the Shadow Cabinet, Mr Donald Dewar, is already proving a forceful Shadow Secretary of State for Scotland.

The question is what this rather large group of Scottish MPs is going to do with its potential influence. Over 300 Party members met in Glasgow early this month to discuss the future. They concentrated on organisation, membership and tactics, bearing the coming district and European elections in mind.

It seems that a strategy is beginning gradually to emerge. Labour is the party of devolution in Scotland. The divisions of the past on this issue, which caused Labour so much trouble in the 1970s, seem to have been largely overcome. But it will not yet push devolution as such overhard. Instead it will deal with individual issues as they arise, while stressing the devolution element.

Controversy

There is no shortage of matters for political controversy. The future of the Ravenscraig steel plant is not yet regarded as assured. There is a major question-mark over the future of the Scott Lithgow yard, and there are all the familiar issues, not confined to Scotland, of privatisation, the National Health Service, local government and local democracy.

On all such matters the Labour Party is likely to point out that Scotland would have more say over its affairs if only it had its own Assembly.

Some, like the remnants of the SNP, would like Labour to go further and faster. There is even talk of an anti-Government coalition, composed of the SNP, Labour and the Alliance, as being the only way of defeating Mrs Thatcher. But Labour is not ready for that. Understandably, it believes that it already provides the anti-Thatcher coalition by itself, and is waiting for others to come to it.

Thus the case for a Scottish Assembly is likely to be steadily but undramatically pushed. The Labour Party as a whole will almost certainly give the idea its full endorsement. Come the next general election, it will be one of the main items in the programme of the Labour Party in Scotland, though shorn of the nationalism and even separatism that used to go with the claims of the SNP.

The economy apart, this renewed call for an Assembly is probably the most significant aspect of Scottish politics today. Other parties should watch it with interest. It is, of course, no more than gazing into the crystal ball but it is perfectly possible that Labour will continue to hold its own in Scotland while declining elsewhere. There would then be a strong Scottish Labour, pro-Assembly rump in Westminster wondering what to do next.

Malcolm Rutherford

PROFILE: STANECASTLE ASSETS

Managers venture forth

Dynamism is being injected into Edinburgh's financial scene by the arrival of a number of new entrants offering a variety of products and services. Mark Meredith reports.

MANAGERIAL spin-off is an essential factor in the growth of Scotland's blossoming electronics industry. But the readiness of managers to peel off and start up new ventures is equally vital to the life of the Scottish financial community.

Again with both industries, the product must be new. Recently, Scotland has seen the arrival of one would-be merchant bank, another would-be private retail bank and a new financial go-between service marrying finance to industry.

Ian Smith and William Forsyth have also introduced a novelty in the field of the investment trust. They left their respective employers a year ago to set up a trust specialising in financial services.

Specialisation, such as Ivory and Sime's and Murray Johnstone's investments in high technology and Edinburgh Fund Managers' stake in Japanese companies, have given a new thrust to the investment trusts at a time when many of the 40 or so Scottish trusts have been under threat.

Several trusts have become the victims of buy-outs or "cross-border raids" as the Scots called them, of financial interests moving in and forcing investment trusts to become unit trusts, a move which allows the investors to take profits.

Ian Smith is 36 and worked at stockbrokers Wood Mackenzie and Ivory and Sime. Forsyth is 34 having moved from insurance at Scottish Life to Edinburgh Investment Trust. Forsyth had formed Stanecastle Assets some time ago and this was to be activated as the vehicle for a new fund management.

After nine months and not without some difficulty they took over Yorkshire and Lancashire Investment Trust, a small trust originally designed to invest in companies in these parts of England. It had lost much of its original momentum and had been hit by soured investments.

The format of the new Edinburgh company was to be similar to Ivory and Sime with a central management and a number of satellites. In this case the main satellite was to be Yorkshire and Lancashire—a trust which is expected to undergo a name-change shortly to reflect its new image.

The investment trust in turn took over another, Young Companies, a majority stake in a London-based financial services company, M & P, as well as a property developer and a chunk in a stockbroking firm.

The other arm from the central management group was a small company, Kinsman Assurance. The pair hired Mr Alastair Robertson, former general manager of Scottish Equitable, to be actuary of Kinsman and explore new avenues of the assurance business for the group.

"An essential part of the group will be interaction between its various elements," according to Forsyth. Insurance, investment and stockbroking will feed each other expertise in pursuing new lines of financial services.

Smith and Forsyth presently have gross assets of £23m under management, through a fast accumulation of acquisitions and investments. And this from an initial £2m paid for Yorkshire and Lancashire with £3m added on from institutions to beef up its portfolio.

Given that the average investment trust has about £70m in assets, this is still a small company and its backers will soon want to see how it performs.

But elsewhere in Charlotte Square, heart of Scotland's investment trust business, the development is seen as an imaginative one, restoring more of the venture capital spirit to Scottish trusts and showing a readiness to look for new areas of diversification.

The large discount on some of the investment trusts has been their undoing when it comes to predatory raids from financial groups wanting to turn investment trusts into unit trusts.

Yorkshire and Lancashire is currently trading at a premium which, its two young managers hope, will give it time to develop and specialise further. "The effect of the assaults on investment trusts has been to shake up the managers of the trusts in Scotland," according to Forsyth. Managers have become more active and merit has become more the criterion for success in managerial terms. This has added a new sense of dynamism to the Financial community.

John Lloyd examines the movement as it faces rapid political and industrial change

Union leaders learning to adapt

THE LABOUR movement in Scotland is rightly proud of its traditions. A history of strong organisation, mutual support, an exceptionally strong cultural and intellectual interest and the establishment of a political hegemony over much of Scots life which still remains are all considerable achievements.

It is not, of course, immune from the rapid political and industrial shifts which the past five years have brought, shifts which have been largely unwelcome to the movement's leadership, but to which they are learning to adapt.

Two facts of Scottish life—labour militancy and the reliance of the economy on older industries—have given a specific characteristic to recent events in the Labour movement. That is, closures or attempted closures of plants, yards and pits, often coupled with attempts of one kind or another to oppose the closure and to rally support for an "alternative strategy," both on the local and the national (Scots or UK) level.

Coal mining—among the oldest industries—faces a particularly difficult future in Scotland: the region is self-sufficient in energy *without any* coal production. Thus a programme of cost savings such as that now embarked on by the National Coal Board is bound to fall heavily on the Scottish miners—and the last year has seen closures of Kinneil, Cardowan and Sorn collieries.

Closure of the first two of these was fiercely contested and they became national issues—proof of the enduring political leverage of the Scots miners. In the end, however, resistance crumbled and closure was accepted.

The threat of closure of all or part of the Ravenscraig steel complex has been fought on a different level. Mr George Younger, Secretary of State for Scotland, has made the issue a central concern of his own, and has argued strongly for the plant's retention—so far successfully.

Sit-in

Again, the plans to make 1,900 workers at Dundee's Timex plant redundant last spring—thus ending the history of watchmaking in Dundee—were met with a sit-in by the Timex unions which ran for six weeks. The vast majority of the redundancies called for—1,775—had been accepted through voluntary redundancies; the last 125 decided to fight.

By June, however, the fight was over, and the total of job losses increased by 300. The Sinclair flat-screen microvision, produced in the Timex plant, was delayed, though Sinclair did not—as Sir Clive Sinclair, the microvision's inventor, threatened—move production away from Dundee.

There is as yet little sign that the job cuts are at an end. The shipbuilding industry, greatly contracted on the Clyde as elsewhere, may yet face further heavy blows; the future of Scott Lithgow on the Lower Clyde is seen as uncertain. Even relatively healthy industries, such as the whisky trade, have had to close plants and make redundancies. Unemployment is not the highest in the country but—at around 16 per cent—remains at painful levels. What is the future for Scots Labour?

One possible straw in the wind was observable at an unusual venue last month: the CBI's annual two-day conference, which took place for the first time in Glasgow. True to its free market principles, the CBI shopped around for the best deal it could get from conference cities and Glasgow—not seen hitherto as a front rank competitor in this league—won out.

To secure the event, and the event itself, was a triumph for the two authorities concerned, Glasgow City Council and the Strathclyde Regional Authority. The hospitality was lavish and efficient. The opening reception in the magnificent City Chambers, and a well-mounted "Scots Night" by the Scottish Opera and others, easily surpassed the fading delights of English seaside towns.

There was a message, of course, and it was that Glasgow should be seen no longer as a clapped out industrial city, or as the "Red Clyde" 50 years on. Instead, it is being marketed as a dynamic, adaptable business centre with industrial, educational and recreational facilities to match those elsewhere in the UK.

Both the authorities hosting the CBI conference are Labour-controlled—yet their determination to woo and impress Britain's business captains could hardly have been greater. The event demonstrated that pragmatism—born, certainly, of many hard knocks—is now a dominant strand in the labour movement's politics.

The other strand could be seen at a more conventional forum: the Scottish TUC, held in Rothesay in April of this year. The event is Left-dominated, and likes to see itself as showing the radical way forward for the British movement—a boast which has had just enough truth in it to allow it to be repeated from year to year.

This year, however, the event took place at a particularly tricky time for the Labour Party and the unions: the two wings were trying to reach agreement on a pact between them which was to provide the centrepiece to Labour's electoral strategy, and which in effect held out the prospect of pay moderation through a national economic assessment. The STUC provided a handy medium for securing agreement on it—though one which, because of its traditions and character, was likely to give a rough ride.

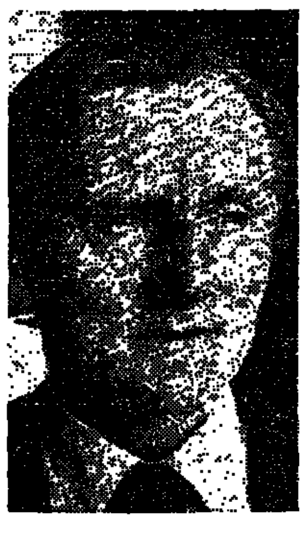
Unanimous

The barons of the Labour movement travelled up to Rothesay to ensure the vote was won—as it was, unanimously, after the Scots miners withdrew a motion opposing the form of the pact.

This ensured that the pact passed through the wider labour movement — even though, on the day the STUC delegates voted to accept the national economic assessment, Mr Michael Foot, then Labour leader, was spelling out to delegates at the engineering workers' national conference that the ambiguously worked pact did mean "co-operation on pay" with a future Labour Government.

That Government, of course, remains a future one, but the STUC vote showed that the Leftist Scots were clearly willing to sink socialist purity in the interests of trying to achieve electoral success. It also emphasised the difference between the disciplined Leftism of Scotland—with its powerful Communist influences—and the more anarchic, middle class Leftism of London and other English centres.

These changes are significant, though buried for the moment under the continuing avalanche of bad news. The received wisdom on the Scots labour movement is beginning to look anachronistic.



Hugh Wyper: tempering exasperation with practical responses

PROFILE: HUGH WYPER OF THE TGWU

A rearguard defence of jobs

THE RETREAT of heavy industry in Scotland has put its trade unions on the defensive. As the manufacturing base has dwindled, so too has union membership.

Current membership of unions affiliated to the Scottish TUC is 1,010,580, but about 20,000 members a year have been lost over the past four years, almost all of them through cutbacks in the manufacturing sector.

Hugh Wyper, former sheet metal worker, 40 years or more as a trade unionist and now regional secretary of the Transport and General Workers' Union, has watched this all happen. For him it has been a case of tempering exasperation with practical responses.

Today Mr Wyper, 62, is a key figure in the vociferous rearguard defending the jobs left in the heavy industries.

In one sense this is a whistle-blowing exercise to balance any euphoria setting in about Scotland's economic recovery based on the sparkle of its new technology industries.

Scotland may no longer be bottom of the heap when it comes to unemployment but this means more that the West Midlands has declined rather than that Scotland has improved. "It doesn't make it all that much better for Scotland," Mr Wyper says.

More important than attracting attention to the plight of Scotland's unemployed, however, has been the political resistance of which Wyper is part. This is drawn from the trade unions and the Labour Party which controls the majority of Scottish seats in parliament.

Joint action involving the unions and Strathclyde region to study the real impact which the potential closure of the Ravenscraig steel works would have on the local economy did much to mobilise public opinion in defence of the big integrated mill—a defence which in the end even attracted the support of the Scottish Conservatives and their leader Mr George Younger, Secretary of State for Scotland.

Today's jobs in the electronics industry have in no way compensated for the losses in steel, coal and shipbuilding north of the border despite the fact that the 36,000 jobs in electronics now outnumber jobs in the older industries.

Inspire

He feels that a successful campaign to defend traditional industries will in turn inspire new investment in the industries which support them such as sub-contracting. But inward investment into Scotland, in his view, requires government stimulus to expand the economy.

"There is no way that industry will come to Scotland without financial incentives and without assurances that as some industries are run down, investment will be directed to others to take up the slack."

Many of Hugh Wyper's demands are those of the Left: the need to leave the EEC because of the damage it has done to areas such as steel; the need for import controls to protect domestic industry; and, above all, the need for government expenditure to boost expansion.

A considerable power base in Scotland, in particular the west of Scotland, gives weight to these demands. But Mr Wyper is ready to acknowledge the weakness of the Left and the trade union movement in particular in gaining new converts to their thinking.

"A fundamental weakness has been to win over a sizeable sector of modern industries to participate," he says. "We should also have been able to widen our base to take in people such as the small businessman. We have failed to take the cause outside the Labour movement.

"There will be no future in the long term for us unless we manage to widen the front against the government." Winning over union members in the new industries has also been a worry for the trade unions. According to one estimate, only about a quarter of the 36,000 jobs in electronics are not unionised.

"This is a serious danger for us," says Mr Wyper. Big companies are taking advantage of people in areas of high unemployment.

Union penetration in the offshore oil business is considerable but unless the greater affiliation can be won in these new industries, the trade unions in Scotland could seem even more to be defenders of the past rather than the future.

Mark Meredith

What and where: useful contacts

INDUSTRIAL PROMOTION BODIES IN SCOTLAND

Scottish Development Agency (SDA)—Chief Executive: Dr George Mathewson. Investments: Donald Patience. Inward Investment (Locate in Scotland): Ian Robertson, Tel: 041-248 2000.

Scottish Development Agency Small Business Division—Director: Peter Carmichael, Tel: 031-343 1911.

SDA TASK FORCES

Leith Project—Manager: Jim McFarlane, Tel: 031-554 9282.

Garnock Valley Task Force—Manager: Peter Stott, Tel: (0505) 685447.

Motherwell Project—Manager: Edward McHugh, Tel: (0698) 54626.

Dundee Project — Manager: Geoff Lonsdale, Tel: (0382) 20961.

Coatbridge Project—Manager: Bill Morton, Tel: (0236) 24371.

HIGHLANDS AND ISLANDS DEVELOPMENT BOARD

Inverness—Chairman: Robert Cowan, Tel: (0463) 234171.

REGIONS

Borders Regional Council — Industrial Development Officer: Eric Biyers, Tel: St Boswells (0835) 23301.

Central Regional Council — Industrial Development Manager: James T. Cameron, Tel: Stirling (0786) 3111.

Dumfries & Galloway Regional Council — Industrial Development Officer: Alan J. Anderson, Tel: Dumfries (0387) 61769.

Fife Regional Council—Industrial Promotions Officer: David C. Ross, Tel: Glenrothes (0592) 754411.

Grampian Regional Council—Director of Development: Ronald Sampson, Tel: Aberdeen (0224) 648322.

Highland Regional Council—Director of Development: Peter Mackintosh, Tel: Inverness (0463) 234121.

Lothian Regional Council—Industrial Development Manager: P. Richardson, Tel: Edinburgh 031-229 9292.

Strathclyde Regional Council—Chief Executive, Industrial Development Unit: Gareth Le Sueur, Tel: Glasgow 041-204 2900.

Tayside Regional Council — Development Officer: Howard J. Moody, Tel: Dundee (0382) 23281.

Western Islands Regional Council—Principal Development Officer: Ken Kennedy, Tel: Stornoway (0851) 3773.

Shetland Islands Council — Director of Research & Development: J. M. Burgess, Tel: Lerwick (0595) 3535.

Orkney Islands Council — Industrial Development Officer: Alan Foghill, Tel: Kirkwall (0856) 3585.

NEW TOWNS

Cumbernauld Development Corporation — Industrial Advisor: William Riddell, Tel: Cumbernauld 023-67 21155.

East Kilbride Development Corporation—Director of Development: George Grassie, Tel: East Kilbride 035-52 41111.

Glenrothes Development Corporation — Industrial Development Officer: David Balfour, Tel: Glenrothes (0592) 754343.

Irvine Development Corporation — Industrial Development Officer: Peter Irvine, Tel: Irvine (0294) 214100.

Livingston Development Corporation—Commercial Director: James Pollock, Tel: Livingston (0506) 414177.

ENTERPRISE TRUSTS

Ardrossan - Saltcoats - Stevenston Enterprise Trust (ASSET) — Director: Douglas Martyn, Tel: Saltcoats (0294) 602515.

Kilmarnock Venture — Director: Willie McPhail, Tel: Kilmarnock (0563) 44602.

Glenrothes Enterprise Trust (GET) — Director: Brian Turnbull, Tel: Glenrothes (0592) 757903.

Falkirk Enterprise Action Trust (FEAT)—Director: John Jackson, Tel: Falkirk (0324) 22280.

Motherwell Enterprise Trust (MET) — Director: Andrew Christie, Tel: Motherwell (0698) 69333.

Ayr Local Enterprise Resources Trust (ALERT)—Director: Gerry Frew, Tel: Ayr (0292) 264181.

Bathgate Area Support for Enterprise (BASE) — Director: Michael Fass, Tel: Bathgate (5) 634024.

Glasgow Opportunities (GO)—Director: George Paterson, Tel: Glasgow 041-204 2121.

Edinburgh Venture Enterprise Trust (EVENT — Chairman: Jack MacMillan, Tel: Edinburgh 031-226 5783/4/5.

Wigtown Rural Development Company—Managing Director: Bill Phillips, Tel: Newton Stewart (0671) 3434.

ENTERPRISE ZONES

Clydebank Enterprise Zone—Project Manager: Paul Smith, Tel: Glasgow 041-952 0084/5/6.

Invergordon Enterprise Zone—Highlands & Islands Development Board, Area Development Officer: Archie McCreevy, Tel: Alness (0349) 853666.

Tayside Enterprise Zone — Tayside Regional Council, Development Officer: Howard J. Moody, Tel: Dundee (0382) 23281.

Overseas visitors provide almost 30 per cent of receipts, as **Andy McElroy** reports

Boost to tourist income

THOUGH OVERSEAS visitors to Scotland account for only 9 per cent of the total number of holidaymakers in the country, they account for almost 30 per cent of the receipts. Last year foreign currency earnings totalled £210m, continuing the industry's remarkably good year in 1981, despite the recession.

North Americans form the largest single category of overseas visitors, not all of them trying to discover what their ancestors did at Bannockburn. Despite popular misconceptions about the country—put about by Scots rather than less culpable foreigners—there is far more to a Scottish holiday than Celtic Twilights or the Loch Ness Monster.

For its size, Scotland is an amazingly diverse country, in its history, topography, climate and the character of the people. Few outsiders realise that so many various cultures went into the making of the Scots, and it surprises new visitors that within an hour's drive one can go from rolling farmland to awesome mountain scenery, or to beaches of amazing whiteness and of such a size that many of them could comfortably accommodate the population of a sizeable town.

There is really no such thing as the Scottish nation, Cliff Hanley, a well-known journalist and author, once remarked. Rather, it is the Disunited Kingdoms of Scotland that we should refer to. Orcadians and Shetlanders, though lumped with the rest of the country for convenience, don't even call themselves Scots.

Other regions are equally diverse, in scenery, culture, facilities, and food. Along with accommodation and the weather, food is something of a self-deprecatory jibe among Scots, and undeservedly.

Never what one would consider, from the outside, to be a gourmet's paradise, the country has a strong culinary tradition which has been largely ignored by the natives, particularly in the large towns. Until about 15 years ago one ate unsuccessful attempts at foreign dishes or meals. Or, of course, one could choose a really good restaurant, at any price level, and eat very well.

It's still easy to get a poor meal in Scotland, as anywhere else, but the chances are far fewer than they were because of improvements resulting, during the last few years, in high praise for the general level of ingredients, preparation, cooking and presentation.

Poor presentation has been the bane of the industry. Cheerless hotels have deserved the worst invective that disappointed visitors could produce. The Scottish Tourist Board and the Highlands and Islands Development Board, which between them promote Scottish tourism with the help of the British Tourist Authority, have raised standards immeasurably in the last few years. Encouragement and chivvying rather than direct coercion have worked the change.

Value

Value for money is what the Scottish Tourist Board and Highlands and Islands Board are aiming at, whether the tourist wants simple bed and breakfast or the comforts of a top-line hotel. It is a campaign that has worked well, even in self-catering holiday homes, the fastest-growing area of tourism in Britain as a whole.

There is a widening range of activities for the holidaymaker, depending on the time of year. Ski-ing facilities are excellent, and being constantly improved.

Alan Devereux (right) is behind efforts by the Tourist Board, working with the Highlands and Islands Board, to make Scottish holidays value for money. The country's diversity lends itself to promotion but it has taken considerable efforts to improve what is generally offered by hotels and restaurants.

Sailing has taken a leap as a summer and autumn pastime with the expansion of hire fleets. Surfing and skin-diving, fishing, shooting, golf and dozens of other sports are on offer.

Less energetic visitors can spend their time just walking, on the beach or the heather, exploring the town and cities and also visiting everything from an art gallery (the remarkable Burrell Collection in Glasgow) to an aircraft museum (the Strathallan Collection) a wildlife park and an ancient burial chamber.

The country has tried to provide something for every taste by investing money and real effort. It has produced results. Total tourist revenue is running at £760m, and the signs are that it will grow fairly rapidly.

Two changes will help. Recently, promotion was partly devolved from the Scottish Tourist Board's headquarters to local tourist committees. It will take a season for results to come through, but the early months have been encouraging. In addition, when the Tourism (Overseas Promotion) (Scotland) Bill is enacted, the STB will be empowered to supplement the BTA's overseas sales promotion effort, helped by an additional annual grant of £200,000. It is not a great deal, but it is a start.

Tourism runs behind oil and whisky as Scotland's third largest earner of foreign currency, and while it will never rival either in the medium term, it provides the equivalent of 50,000 jobs which are much needed north of the Border.

It is very important to the Scottish economy that visitors should come in ever larger numbers. But as one hotelier pointed out: "They'll only come if we start by making the effort. We relied far too long on kilts and haggis. Now it's the best standard, and nothing less."

PROFILE: ALAN DEVEREUX OF THE SCOTTISH TOURIST BOARD

Improving standards

FEW SCOTS would have anticipated that the chairmanship of the Scottish Tourist Board would fall four years ago to a man who was an engineer by training and is, above all, an Englishman.

Alan Devereux proved the doubters wrong and has been doing it ever since. From the beginning his presence in Sporran House (as the board's Edinburgh headquarters is jocularly known) was resented, partly because of his nationality, partly because there were some traditional grouse-moor Scots in the running. His immediate determination to improve the organisation's effectiveness earned him few friends: tales of incipient drama reminiscent of Macbeth were current but they came to nothing.

Through a combination of diplomacy and plain speaking Alan Devereux has turned the board into a far more effective unit

After three years in the chair he is still an unexpected person to find there. Now slightly past the age of 50, he retains the sparkle, enthusiasm and drive of a younger man.

Over the years he has absorbed the skills of a seasoned diplomat. He reads and handles people well, so long as they go along with his enthusiasm for his job. As a totally committed salesman for Scotland, he expects no less from his staff.

His public face became apparent through membership of the Confederation of British Industries from 1972. Subsequently he became a member of the Scottish Development Agency, chairman of the Small Industries Council for the Rural Areas of Scotland, and a member of the British Tourist Authority.

Drawing on this experience he has been able to see and infuse a new sense of purpose into the STB. Although he has been very effective in his term of office, especially in improving standards of food and accommodation, he believes that resting on past successes is a mistake and can bring only deterioration.

From a 1982 overseas earnings base of £210m he wants to reach a level of at least £250m within five years. In the middle of a deep recession this may seem excessively optimistic but in 1981 and 1982 earnings rose, against the odds. Indications already at hand show that 1983 will be even better.

"We must keep improving standards. It's not enough to say that food and accommodation are better than they were last year. They have to be better than our competitors can offer. That's the standard," he says.

"If we try to compete with the Costa whatever or the Mediterranean, we'll fail. We can't offer what they have to offer but we can offer something better—much better."

Would that more Scots spoke like him.

A.M.

Waterskiing on Loch Earn. There is a widening range of holiday activities

University departments linked with companies

Multi-nationals behind electronics success

THE ELECTRONICS industry in Scotland has been a success story and its successes are far from over. However, much of the industry is foreign, especially U.S.-owned, and while there are signs of an indigenous industry growing, it has some way to go before it justifies claims sometimes made for it that it is a Caledonian version of California's Silicon Valley.

The origins of the industry lie in the twin initiatives of UK companies, such as Ferranti and Marconi, establishing defence electronics plants after the 1939-45 war; and in the success of the then development authorities in attracting U.S. electronics multi-nationals, such as IBM, Burroughs and NCR, to set up plants in Scotland.

The continuing success of these companies still provides the backbone for the industry. For example, IBM's Greenock plant has now been switched to production of its successful personal computer, now establishing itself as a market leader while Ferranti's continued if quiet success in defence and custom-made chip technology has secured it a major place in that highly-specialised and growing market.

Scotland's New Towns — especially East Kilbride, Glenrothes, and Livingston—have become minor centres of the electronics industry. In East Kilbride, Motorola has established one of the biggest semiconductor plants in Western Europe. Other companies in the electronics field include Paladin (medical electronics) and Heraeus Quartz, a local company which has started to make glass for semi-conductors.

Peel Park is being developed as a "high technology campus," the National Engineering Laboratory is headquartered in the town, and academic/research centres such as the Wolfson Institute, the Glasgow/Strathclyde University science park and Paisley College's micro-electronic educational development centre are relatively close.

In Glenrothes, one of the first of the New Towns, the electronics industry has taken deep roots: the development corporation is now attempting to build on the local skills by creating an "avionics centre," claiming to be thet country's first "fly-in" service base created from scratch.

Market leader

The town is clearly a healthy environment for electronics entrepreneurs: Rodime, established in 1970 by former employees of the Burroughs plant in Glenrothes (now closed) has become in three years a market leader in disc memories and has annual sales of £20m.

In Livingston, companies such as Marconi, Ferranti, Digital, Tektronix and Memorex have established plants; and the Kirkton Campus, one of its eight industrial estates, provides special research and development facilities and links with the nearby Heriot Watt and Edinburgh Universities.

The part played by Scotland's universities is an important one in this context. The older universities—Edinburgh, Aberdeen and Glasgow (though not St Andrews) have all built up departments or institutes of advanced electronics research.

Edinburgh, with its Wolfson Institute and its research into artificial intelligence, is particularly well placed. The U.S. computer company, Wang, has located a new facility at Stirling University.

The Scottish Development Agency, which has taken on an electronics division in order to remain abreast of the technology and of developments within it, remains successful in attracting inward investment from electronics companies. A recent example has been International Microelectronics Products, a California-based microchip company which hopes to establish a plant in Scotland employing 1,000 by 1986.

In this case, IMP came to Scotland as part of a deal: the SDA took a £620,000 equity stake in the company in return for an undertaking that Scotland would be its overseas base—the fortunate location probably being Livingston. IMP, which makes and designs integrated circuits, will join such established chip companies as Motorola, National Semiconductor, Hughes Microelectronics and the Japanese company NEC.

The company was identified by Dr David Milne of the Wolfson Institute, and will—unlike many multi-national subsidiaries—contain a research and development facility, drawing on the Wolfson's and other academic resources.

Scotland now employs 40,000 people in electronics. It is estimated that by 1985 they will produce more than half the UK's entire output of microchips. Mr Cameron McFail, the SDA's electronics director, now believes that the industry is big enough to begin reproducing itself, as contractors and subcontractors are spawned by the large plants.

John Lloyd

PROFILE: FORTRONIC

Plugging into the banking market

HUGH SMEATON is one of a new breed of managers in Scotland's emerging electronics industry. But he is far from typical in the way he runs his company, Fortronic.

With a strong line from management about the importance of customer satisfaction and worker participation, Fortronic is now one of the leading manufacturers of banking terminals in the world. In October it signed a £21m contract to produce terminals for Burroughs to distribute worldwide.

Smeaton, 49, and a self-professed patriot, sees job creation as a prime goal of his work, although he regards it more as making the most of the job resources available in Scotland.

Using Fortronic Holdings as a central management pool, he oversees a chain of 14 subsidiaries, many of which have been formed locally to provide goods and services to the company and then to develop outside contracts.

The former big Singer works in Clydebank and the Timex works in Dundee, show that Scotland has considerable expertise in the field of light engineering which can be exploited.

Smeaton feels Scotland is doing well in electronics but could do much better. Much of the employment in this sector is with the big multinationals such as IBM, Burroughs and Honeywell and, slowly, a sub-strata of companies servicing these big corporations has built up.

So, too, has mobility of management. Top executives with new ideas are today more ready to go out on their own and start new businesses.

But it is here that Smeaton finds some of the shortcomings in this new industry, which is helping to free Scotland from its dependence on heavy industry.

The peel-off of management, Smeaton says, is still largely in the area of software rather than hardware. Little capital investment is required for the new software company compared to a new manufacturing base and only small numbers of jobs are created.

Then, too, the substrata serving the bigger electronics companies have some way to go. Smeaton sees weaknesses in the areas of tooling, and the manufacture of casings for terminals, in aluminium castings and sophisticated metal processes.

Fortronic has a turnover of about £7m, a radically designed factory site in Fife and a lot of promising business, but Hugh Smeaton adds a note of caution about some of the intrinsic problems of the industry.

Electronics north of the border suffers from distance and the good working relationship needed with industry. It pays for electronics companies to be near their customers, working with them on perfecting products and developing new ones.

The breakthrough for Fortronic was a local one, a contract to provide terminals for the Clydesdale Bank, one of the three Scottish clearing banks. But Smeaton knows there are few similar clients in the region.

He says he has found some short-sighted views within industry about using and experimenting with new technology.

Even the fast-moving world of North Sea oil development has proved to be remarkably conservative on the whole when considering adaptations and new equipment, he says.

Injecting realism into the industry too has been the nature of the multi-nationals in Scotland. Smeaton notes that only a certain strata of service and product contracts can be decided in Scotland by the management of these big companies.

More profound forms of co-operation in the field of product development or joint ventures requires a circuitous series of negotiations with head office in the U.S. or a regional headquarters in Europe.

But to Smeaton any of these obstacles can be overcome with the right attitude on the part of his own management and employees. He has a policy of keeping staff informed with meetings every quarter and regular sessions with the management of the affiliated companies, to look for new ways of communicating and to sort out managerial weaknesses.

Mark Meredith

Concern that oil industry should thrive

SCOTLAND HAS done well by North Sea oil but there is a growing feeling that oil could do still better for Scotland. The Scots harbour some strong proprietorial sentiments about oil north of the border and not just because the bulk of North Sea oil production is in Scottish waters. The world oil industry really got its start in Scotland when a Scottish Chemist James "Paraffin" Young produced oil from shale in Lothian and Lanarkshire in the last century.

Today this industry in Scotland directly provides about 5 per cent of the employment. About 60,000 jobs are provided directly and another 25,000 to 40,000 jobs benefit from a decade of development.

Oil has blessed Aberdeen, once mainly a fishing port, with undreamed of prosperity bringing an estimated 500 companies and some 40,000 jobs to the surrounding Grampian region. The city reflects the bustle of a thriving industry.

But behind the scenes within the industry itself and among the Government's industrial promotion bodies is a feeling that unless the onshore industry gears itself to an exportable offshore technology, very little will be left when the oil reserves run down.

Encourage

The Offshore Supplies Office of the Department of Energy actively encourages the development of oil technology in Britain by the oil companies. A big company may find it does not receive a licence to develop an offshore field if its past performance in handing down research and development work to UK companies does not pass muster.

Later this month events will move a step further. While on one track the government monitors and cajoles industry to develop an oil industry with long-term prospects, a new move is afoot to encourage applications of Scotland's industrial resources in this field.

Public and private sector interests have formed an oil advisory group which will examine an initial study of the potential for further industrial progress in offshore industries.

Though the ideas are still in their early stages, a strategy could well evolve which co-ordinates private and public sector bodies and university resources to make greater inroads in areas which have often been dominated by American and other foreign companies.

The argument supporting this strategy goes like this: new expansion is about to take place in the North Sea following the Government tax stimulus in the last Budget.

Mr Alick Buchanan-Smith, Minister of State for Energy, has predicted that about 30 oil and gas projects would come under consideration in the next two years. Much of this exploration will be in even more unfriendly waters of the North Sea and eastern Atlantic than have been encountered so far.

This in turn will require new techniques and equipment which should be developed in Britain to meet these needs and which could be exported to other offshore developments in exposed waters such as the western Atlantic and South China Sea.

According to one estimate, £60bn will need to be invested in exploration and development to keep the UK self-sufficient in oil until the turn of the century.

And with about 40 per cent of the world oil reserves thought to lie offshore, experience in the North Sea should give onshore industries encouragement to participate in a worldwide market worth perhaps £4.6bn a year.

Government statistics show that over 70 per cent of the orders for oil and gas development on the UK Continental shelf go to companies in the UK. That is £1.64bn out of £2.26bn spent last year.

Much of this revenue must come to Scotland although it is hard to quantify owing to the number of subsidiary companies of both English and foreign companies based in the North-East.

The need to market Scotland better in offshore oil has also taken another step. A consultants' study has underlined the usefulness of an oil trade centre in Aberdeen to act as a market place and showcase for British oil companies trying to penetrate this difficult field.

According to backers of the trade centre, the industry is too fragmented and often unaware of opportunities available or not even able to spot various restraints on growth.

An essential area for interaction in Scotland in the coming years will be the application of the region's electronics industry, another major employer, to offshore technology.

Here is a field that has developed very recently with hundreds of possible applications in micro-electronics, instrument control systems and monitoring equipment.

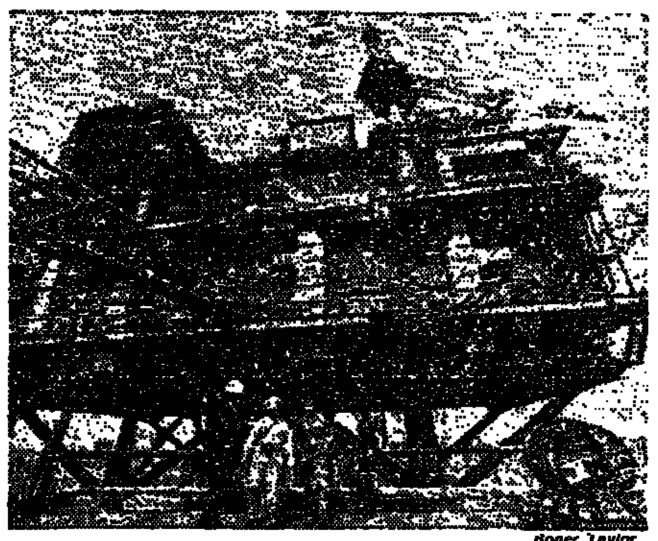
The Scottish Development Agency, one of the main forces studying the marketing proposals, has for some time been promoting links within the electronics industry. It is a difficult business, at times balancing government promotion with the more spontaneous market forces of the private sector. But like many other areas of industry in Scotland, it seems that much of the initiative will have to be taken by the public sector.

Computer companies are now resident in Aberdeen and service a computer service market worth possibly £100m last year according to System Designers one of the companies with a base in Scotland.

There will likely be more promotion of the research done by Scotland's universities. Aberdeen University is ideally located, Heriot-Watt in Edinburgh has its Institute of Offshore Engineering and the University of Glasgow's Marine Technology Centre has just received a grant from the Science and Engineering Research Council for work in naval architecture and ocean engineering and mechanical engineering.

Among areas which require further research and development are manned sea-bed modules for oil production at depths of 2,000 feet and new ways of enhancing oil recovery.

Mark Meredith



Roger Taylor

Platform in the Tartan Field, 110 miles off Aberdeen. There is a need to market Scotland's oil expertise.

Efforts to develop the forests have led to a key project

Fillip for wood products

WOOD PRODUCTS should be a natural for Scotland. Here is the last uncommitted forest resource in Western Europe with much of its woodland approaching maturity. Surely this would spell success for downstream activities such as pulp and paper and timber.

The supporting argument goes further: Britain imports 92 per cent of its timber. Some wood is even exported to be brought back again as pulp for papermaking. And timber values, according to one estimate, could increase by 150 per cent over the next 50 years.

In fact, the history of Scotland's forest products industry is a disappointing one. In 1980, Wiggins Teape shut its pulp mill at Fort William in the Highlands with the loss of 480 jobs — a heavy blow in employment terms for a sparsely-populated area with few work alternatives.

Then came the closure of Scotboard, a chipboard manufacturer in Irvine, and the collapse of Scottish Timber Products, another chipboard producer at Cowie near Stirling. Since then, the West German Bison Werke has bought up the chipboard companies' assets and resumed production.

Like so many of the industrial initiatives in Scotland, it fell largely to the public sector to look for ways of stimulating the development of the 857,000 hectares (Nearly as much as the forests of England and Wales together).

The results of this new effort to market the forests and encourage their development started to come through last month. It was only one project but a key one. Highland Forest Products, a new company announced it had found the £12.5m it needed to finance a plant near Inverness to make structureboard. Not just the ocmpany but the product was significant in this case. For the first time in the UK and perhaps for the first time in Europe, full production was planned for a plywood substitute.

Structureboard is claimed to be cheaper than plywood and stronger than chipboard. Over the past five years 26 plants making structureboard orientated strand board—or even waferboard as it is known—have grown up in North America.

The plants reduce timber to strands of wood fibre about three to five inches long. These are then "orientated" or lined up in various directions so that when bonded with resin they will provide strength.

Chipboard, manufactured with tiny particles of wood, lacks this longitudinal and lateral strength. At the same time, the use of the strand means that more of the tree can be used whereas with plywood whole strips are required to produce the necessary finish.

Mr John Godfrey, the 35-year-old American, who is managing director of Highland Forest Products, has as his principal target the estimated 1m cubic metres of plywood imported into Britain.

Anxiety

Structureboard has its main uses as a plywood substitute for building, concrete shuttering and crating. But Mr Godfrey hopes to take a 15 to 20 per cent share of the do-it-yourself market for this type of board.

The make-up of the finance for the new company reflected the anxiety felt by the Scottish institutions about the industry's future.

Apart from Ivory and Sime, the specialised fund managers in Edinburgh, there was little private sector interest in putting up funds.

Other key backers were 3i, Mr Godfrey himself, and a 17.8 per cent held by Scottish Co-ordinated Investment and Britcomin Investments, subsidiaries of British and Commonwealth Shipping.

There could be competition for Highland Forest Products from Caberboard near Stirling which is also trying to raise the funds to bring in structureboard equipment from the Continent where it had been used for demonstration purposes.

The project in the Highlands has delighted the Scottish Forest Products Group which combines the public sector industrial promotion bodies of the Scottish Development Agency and the Highlands and Islands Development Board with the Forestry Commission and the private sector woodland owners. There is also hope for more sawmills and more encouragement to the downstream industries of forestry equipment manufacturing in Scotland.

But the greatest hope is for a pulpmill to use the wood of the west Highlands.

The Wiggins Teape mill turned out to be of the wrong scale and using the wrong process for the type of paper produced at the adjacent mill in Fort William.

It was a bitter lesson—one which many said showed pulp production should be left to the Scandinavians. But the in-depth study of the industry, the resource and its potential has helped provide a fuller picture for any new pulp mill proposals.

M.M.

Coal orders cut worries miners

PITY THE Scottish miner. Nearly all his coal goes to Scotland's power stations and now the electricity board has cut its annual order by almost half.

This at a time when the miners nationwide are carrying out an overtime ban to press a wage claim and while the Scottish miners are feeling the sharp end of the National Coal Board's regional office drive on productivity. The miners union, traditionally one of the most militant and best organised, appears to be on the defensive. But so does the industry north of the border.

After a two-year period, a new rash of closures added to the worries of the miners. Kinneil, a development pit due to run underneath the Firth of Forth to the Longannet complex on the north side, was closed because of serious geological faults. This was followed by the closures of Highhouse and Sorn in Ayrshire and Cardowan colliery east of Glasgow.

The uncertain future of steel in Scotland also has a direct bearing on the outlook for coal. Nearly all the output of the Polkemmet colliery in Lanarkshire is sent to the Ravenscraig works.

The news from the South of Scotland Electricity Board has added to the grave outlook. The board wants 4.2m tonnes of coal in 1983 for its four coal-fired power stations compared with 6.2m tonnes last year and 7.8m tonnes in 1981.

The deal followed the end of a five-year government subsidy to encourage more use of coal for power generation. About 60 per cent of power requirements for the South of Scotland Electricity Board comes from coal-powered stations and the remainder from the Hunterston nuclear complex on the Clyde coast.

Requirements for coal have been reduced by a drop in demand and a drop in the amount of power required by the North of Scotland Hydro Board, which last year imported over half its requirements from the South of Scotland Board but this year will be a net exporter of electricity.

Last year Peterhead power station north of Aberdeen began power generation using natural gas liquids fed in from the St Fergus gas terminal. The station currently produces about half the North of Scotland Board's output but this amount could vary in future as the gas liquids are eventually to be fed down a pipeline to the Mossmorran gas separation plant due to come on stream in Fife next year.

To compensate for the drop in orders the coal board in Scotland is looking for export possibilities and has its sights on Northern Ireland which may convert its Kilroot station from oil to coal.

Campaign

Within Scotland too the Coal Board has an active campaign going to win over industries to convert from oil to coal.

At the same time, Scotland has apparently been singled out by the board for a tougher approach to improving productivity.

Output per man-shift in Scotland is currently about 2.30 tonnes compared with a national average of 3.17 tonnes, the NCB says.

The productivity drive has angered the Scottish miners and their union leader, Mr Mick McGahey, who charge that the coal board has bypassed established negotiating procedures in sending directly to individual miners letters which threaten dismissal unless they improve their working practices.

Another board move which angered the union, and provoked a strike at Monktonhall Colliery near Edinburgh, was a decision to approach men over 50 for the first time and offer them voluntary redundancies.

The failure to mobilise strike action from the 14,000 miners to prevent the closure of Kinneil or Cardowan did much to temper the union readiness to use industrial action to protect pits north of the border.

M.M.

MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

The perils of trying to change corporate culture

Strategic consultancies are rushing to join the fashion for changing company values. They may be over-reaching themselves, warns Dean Berry

FOR almost two decades America's top management consultancies have hyped "scientific" analysis techniques as being critical to the businessman's universal quest for ideal combinations of products and markets. Now, all of a sudden, they and their European offshoots are clamouring about the altogether "softer" concepts of "culture," "change" and "implementation."

The language is frequently anthropological (rites, rituals and so on) and focuses no longer on the external market place but on what, if anything, managers can do to resolve the internal problems of their organisations.

This radical shift is welcome, and well overdue. But can the consulting firms deliver what more and more of them are starting to promise?

Implicit in their communal message is that:

- For a company, culture (having it, getting it, shaping it) is an important strategic matter.
- Diagnosing and understanding culture is scientifically and operationally possible.
- Consultants who possess this analytical and diagnostic competence can help companies become more strategically effective.

Given certain assumptions—the right consultants, the right problem, the right client, the right expectations, and the right time framework—all three implications could be true. Yet it is precisely these assumptions that give rise to doubts.

The first concerns the very nature of corporate culture and how difficult it is to change it.

Most companies which have been successful in the past, or still are, develop a strong "culture." Whether the folk tales, war stories or mythologies are about Honda, Marks and Spencer, or IBM, employees largely believe in the stories and the heroes.

These, and other less concrete values which emerge from a company's way of doing things, combine into a set of implicit power balances and shared understandings—the corporate culture. At Honda this reflects, among other things, a deep commitment to product quality and fast delivery, that of M and S an almost instinctive emphasis on rapid decision making and (again) quality, IBM's the pre-eminence of customer service. But even in such excellent companies, strong cultures can obstruct strategic changes and contribute to corporate decline.

The most graphic evidence of the intransigence of a strong culture emerges from companies which are already well on the downward slope and where all the managers realise the need for major strategic change, but where forceful attempts to transform the culture find little success.

Three very acute European cases are BL, British Steel and British Airways. In each case a strong hero has been created (Michael Edwardes at BL, Ian MacGregor at BSC and now Lord King at BA). In each case he has taken all sorts of action to change performance and the shape of the business. In each case he has succeeded in creating a strong personal mythology, significant rationalisation and important results.

But it looks as if neither Edwardes nor MacGregor has fully succeeded in transforming the centralised, production-orientated values of BL and BSC into strong, outward-looking marketing-orientated cultures. And despite some financial progress at BA, Lord King still has a long way to go if he is to succeed in revolutionising its culture or making its staff as ultra-service conscious as competitors such as SAS.*

While slimming and labour confrontation may be a precondition for significant cultural change, rationalisation frequently reinforces cultural camps in organisations as everyone becames territorially defensive. Cultural unification and development requires good people management and a planned commitment right down the organisation to new values, relationships and practices. In human terms, new visions.

For more successful enterprises such as Marks and Spencer and GEC, strong cultures are clearly a major strategic asset. A lot can be *done internally* both quickly and decisively and with little paper work, referral or cross-checking. There are commonly shared values and beliefs in these companies about everything from "things we won't do and things we will" to "the way business is done around here." These internalised beliefs motivate people to unusual performance levels. But what if their strategies need to change? Their strong culture may be a serious constraint.

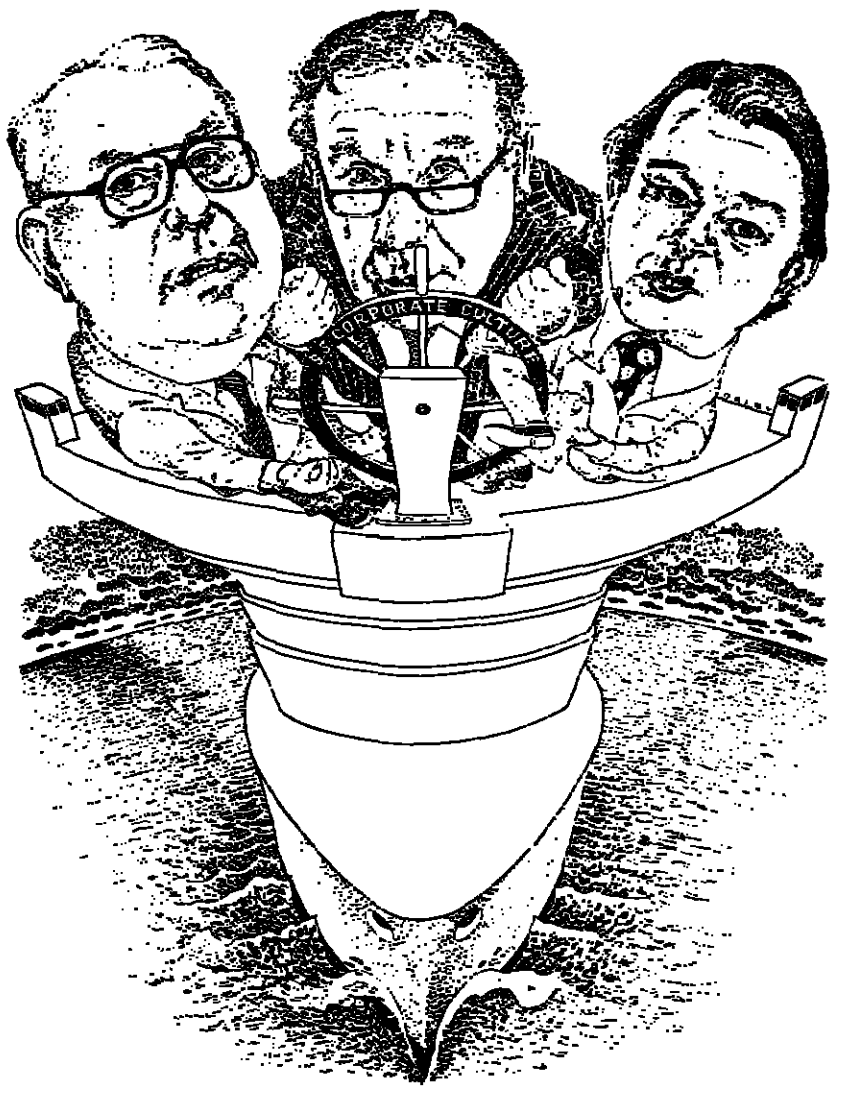
Even if an alert top management realises this in time and decides to do something about it, the odds are not in favour. A lot may be known about culture, but the question of "how to get it" remains elusive. We know what "excellence" is in terms of a managerial culture and most chairman's desires are whetted for a similar set of binding, driving values to those found in the 60-odd companies studied by the authors of the best-selling "In Search of Excellence."** But such books are descriptive, not prescriptive.

Even the little advice that they give is daunting. From the authors of "Corporate Culture" (another new U.S. best-seller)*** comes the warning that significant cultural change can take six to 15 years; that the costs originally allocated to achieving it will escalate sharply during that time; and that, even then, one can expect a success rate of less than 50 per cent.

One of the reasons is that most managers have short time horizons. Their own impatience could not tolerate a major, designed cultural change, even if it could be done.

Given such formidable obstacles, is an understanding of culture useful? And if so, can the consultancy world help?

If a chairman or senior executive really understands his company's culture, he must, by definition, be better equipped to make wise decisions. He might even conclude that "cultural change will be so difficult in this situation that we had better be sure to select a business or strategy that our kind of company can handle well." That is a different (in fact, inverted) proposition which is just as valid and perhaps even more useful than the new wisdom of believing that one can readily accomplish cultural change in order to shift the firm towards a new strategy.



Messrs. MacGregor, King and Edwards: all too aware that changing course is a Herculean task

Which brings us to the second fundamental doubt about whether consultants can not only match strategy with culture, but also accomplish the reverse. Here, the doubt rests not so much with the concept of culture but with the meaning of successful strategy, and with the consultancy world itself, at least as it stands today.

Good business leadership demands not only the ability to analyse and construct strategies, but also an understanding of the company's beliefs, values and power structures. The real "*bottom line*" is that good managers manage people, even inspire them. Without the commitment, loyalty and energy of managers and employees *throughout the organisation, the* company can never generate strategically telling market responses, however good the analysis and planning may be. *Strategy must therefore be an* integral part of a company's culture.

The critical aspect of this definition of strategy is that deciding what to do and getting people involved in doing it become totally intertwined. The old Irish joke may say that we "shouldn't start from here." But a good strategy acknowledges that we must start with "where we are, what we have got and what therefore managerially helps us get to where we want to be." That is a substantially different suggestion from the all-too-frequent approach of confronting an array of business options which are almost exclusively based on a detailed understanding of their product/market dynamics.

The consequence of this distinction for consulting is enormous. It implies that developing and implementing strategy is a human and political process that starts as much with the visions, hopes and aspirations of a company's leaders as it does with market or business analysis. It is ideas, not product / market strategies, which drive organisations.

So consultants' attitudes and social skills become absolutely critical to the achievement of any effective change—strategic, cultural or both. They must not only create mutual trust—in their colleagues as well as in their firm's particular process of consulting, whatever it may be—but they must also secure the personal involvement of sizeable numbers of key managers and employees during the assignment. This is a new departure for those consultants who are used to dealing mainly with a handful of a client's senior executives, often somewhat at arm's length.

Whether one can find consultants with both the knowledge and the requisite "feel" to handle these new social processes seems difficult but possible. What does seem questionable is that these kinds of characteristics will be found in inexperienced, highly-educated and analysis-orientated consultants of the sort still employed (at breathtaking salaries) by many of the "strategy boutiques."

One of the venerated maxims *surrounding the* Harvard case method of teaching is that "wisdom can be taught." Harvard may come closer than most to achieving this, but my own persuasion is that, just maybe, it can be learned through experience.

What with ever-shortening product *life cycles, intense* global competition and unstable economies and currencies, the future is going to require organisations which are more ready to commit themselves to change. Companies may well have to "get back to basics" as current fashion rightly demands; but they also have to develop a more flexible capacity to change.

This has serious implications for both the manager and the consultant. Increasingly, strategy is going to be about intertwining analysis *and* adaptation. The skills of designing and socially engineering change will be as valuable as were expert product/market skills over the past 20 years. The challenge is to develop more effective organisations, not to deliver more brilliant analyses.

This is the second of two articles on strategic consulting. The first appeared on Monday.

** see this page, October 31 1983.*

*** In search of excellence, by Thomas Peters and Robert Waterman. Harper and Row, £12.50.*

**** Corporate cultures, by Deal and Kennedy. Addison-Wesley, £12.70.*

Dean Berry is chairman of the Centre for Business Strategy at the London Business School. He was previously Dean of INSEAD, and taught at Harvard and Yale. He is also an independent consultant.

Management abstracts

Information systems and the *human organisation.* P. H. Mirvis and E. E. Lawler in Accounting, Organisations and Society (UK), Vol 8 No 2/3

Reports on two research projects involving the creation of information systems — one designed to measure the quality of working life, the other linking measures of staff attitudes to performance indicators; explains why the attempts went wrong, in the first study because the results became unpalatable to top management, and in the second because staff and management were unwilling or unable to use the results.

Management and boards in large corporations. M. S. Mizruchi in The Academy of Management Review (U.S.), July 83.

Reviews conflicting concepts of where real corporate power is exercised, arguing that, although theoretically the board has formal powers over executives, the latter often have effective control. Concludes that the ability to hire and fire chief executives, the choice of board members and the number of non-executive directors are critical when reviewing top management's relationships and power structure.

Women and the managerial climb. D. Kaufman and M. L. *Fetters in Journal of Business* Ethics (U.S.), Aug 83.

Argues that in major accounting firms two ingredients are essential for the climb to the top — *interpersonal skills and* an "executive presence"; finds from empirical study that women and men perceive themselves similarly against these *characteristics, but the male* accountants and clients are sceptical about women's ability to succeed. Suggests that women and men tend to have *different job assignments along* their career paths.

Mentorship. D. M. Hunt and C. Michael in The Academy of Management Review (U.S.), July 83.

Describes the concept of mentorship as a training/development tool, reviews the literature and examines its organisational context and outcomes; discusses mentor/protegé characteristics and relationship stages.

These abstracts are condensed from the abstracting journals published by Anbar Management Publications. Licensed copies of the original articles may be obtained at £3 each (including VAT and p+p; cash with order) from Anbar, PO Box 23, Wembley, Middlesex HA9 8DJ.

TECHNOLOGY

EDITED BY ALAN CANE

'ENERGY FROM THE SEA' PROJECTS CONTINUE DESPITE PROBLEMS

Wavepower ebbs and flows

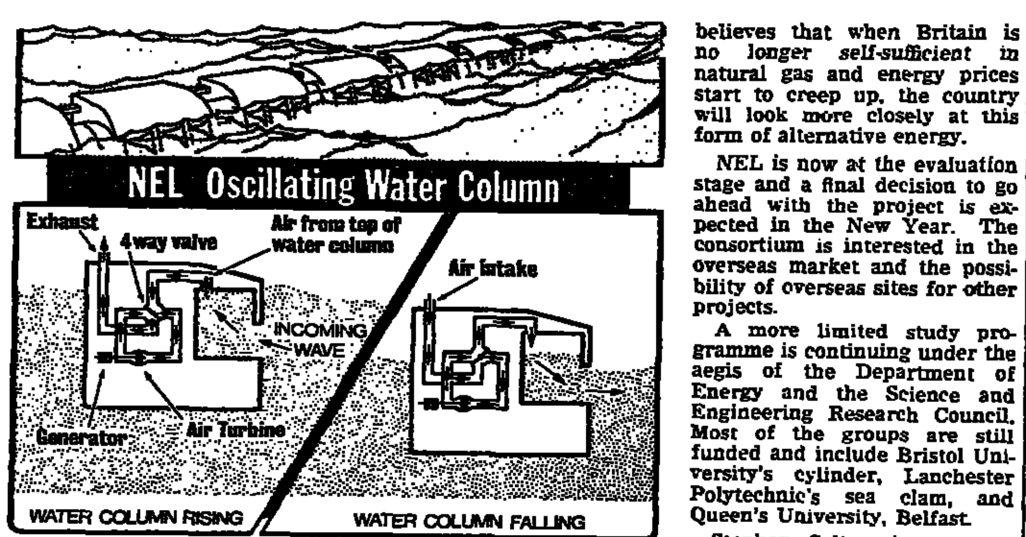
BY ELAINE WILLIAMS

WAVEPOWER was dealt a severe blow in Britain earlier this year when the Department of Energy decided not to go ahead with the next major round of funding for the technology.

Despite this, most of the UK groups are still carrying on the search to produce viable wave power machines and competing against overseas researchers in Japan and Scandinavia.

One of these groups is the National Engineering Laboratory in East Kilbride. It hopes to set up a full scale version of its wavepower design as proof that there is a future for sea energy.

The National Engineering Laboratory, unwilling to wait until the UK changes its mind about wavepower when energy resources again become scarce, encouraged the formation of a *consortium in May to build* a large version of its breakwater design.



By next year NEL hopes to have approval to build its oscillating water column to supply energy to an island in the Hebrides.

The consortium includes Roxboro and Partners, project managers, Sir Robert McAlpine, NEI, Sulzer, the Swiss turbine maker, Morgan Grenfell, merchant bankers, British Electric International, an overseas arm of the Central Electricity Generating Board, North of Scotland Hydroelectric Board, Herrema Engineering Services UK, part of the Dutch offshore operators and the Scottish Development Agency.

NEL has already received about £2.5m in direct government funds and now is looking for about £12m to build a 5 MW breakwater to provide nearly 25 per cent of the power requirements of the Isle of Lewis in the Hebrides.

The device uses an oscillating water column, rather like a piston. Air trapped by the wave action is forced through a turbine which then drives electric alternators to supply electricity. It lies in shallow water. The Department of Trade and Industry has agreed to put up one-third of the funds.

"We want Lewis to be the prototype and shop window for British wavepower," said George Elliott, head of the wave power project at NEL. "It is a really practical location and will give us a chance to iron out all the bugs."

"Our device is one where financial risks are at an acceptable level," he commented. *Some of the other designs would* cost around £50m to build a single full-size demonstration generator.

The island now uses diesel for electricity generation and Mr Elliott said that wavepower could compete effectively on price with this fuel. Mr Elliott admits that the time for wavepower has not yet come but believes that when Britain is no longer *self-sufficient* in natural gas and energy prices start to creep up, the country will look more closely at this form of alternative energy.

NEL is now at the evaluation stage and a final decision to go ahead with the project is expected in the New Year. The consortium is interested in the overseas market and the possibility of overseas sites for other projects.

A more limited study programme is continuing under the aegis of the Department of Energy and the Science and Engineering Research Council. Most of the groups are still funded and include Bristol University's cylinder, Lanchester Polytechnic's sea clam, and Queen's University, Belfast.

Stephen Salter, inventor of Salter's Duck at Edinburgh University says that his group's funds from these organisations this year have remained at the level of £200,000 despite the pronouncements by the Government that support is being scaled down.

"There is no energy crisis at the moment," says Dr Salter as a reason for the declining interest in British wave power schemes. Salter's group is concentrating on the engineering design of the internal sections of the duck—so called because of its beaklike shape and nodding action in the water—so that when alternative energy schemes revive in the 1990s he will be ready for the full scale version.

QUALITY CONTROL

India gains cheap milk tester

PEOPLE IN India who drink milk may soon have a better way of judging the nutritional value of the liquid, thanks to *the efforts of a small company* in York.

Multispec, which makes instruments that measure the amount of protein in milk by *infrared analysis, is developing* a new machine specifically for India. At about £5,000, the hardware is a quarter of the price of the equipment that Multispec *sells at present.*

Mr Claus Schubert, the company's marketing manager, says the new machines are robust enough for people to take them *between farms on lorries.* The hardware, which is about the size of a small suitcase, works off a 12-volt car battery.

Multispec says the equipment should appeal to *technicians in* food-testing stations in India who have to cover large rural areas. These people travel between farms to measure the quality of milk in different places. This determines how much the farmer is paid for his production. Conventional machines are either too big and expensive or not rugged enough for the job.

Mr Schubert says Multispec has reduced the price of its new machines by incorporating modern electronic technology. *Also,* the *hardware* has fewer facilities than the company's conventional products.

For example, it cannot be calibrated to do anything else *other than to measure fat or* solids in milk. Multispec's other equipment, by contrast, can analyse other substances such as ice cream.

The company hopes to arrange a joint venture with a company in India that would turn out the devices. According to Mr Schubert, Multispec will sell *"several thousand" of the* machines a year, starting in 1984.

Multispec has sold 350 of its more expensive machines, which *take up about the space of a* desk.

In Multispec's hardware, a small sample of milk is drawn into the machine by a pipette. The sample enters a cell in which the degree to which it absorbs infrared light is analysed. A display provides information about the absorption profile, which indicates the nutritional quality of the milk.

AEROSPACE

Heat treatment for titanium

WORKERS IN aircraft factories in the U.S. are forming components out of titanium in a new heat-treatment technique. Despite the metal reaching a temperature of some 1,000°C, the workers can remove the parts from the mould with their bare hands.

The process produces lightweight, one-piece parts for aeroplanes more quickly and cheaply than in conventional methods, in which, for example, technicians cut shapes out of *large chunks of metal with* machines.

The technique, called superplastic forming, also uses less energy than other ways of *shaping metal.*

In the process, developed by McDonnell Douglas, a sheet of titanium is placed between the halves of a die. Quartz lamps *heat the metal until it* is as pliable as plastic. A gas is pumped into the die, forcing the titanium into the shape of the lower half.

The infrared radiation from the lamps heats only the titanium and the tooling, while the press itself stays at room temperature. As *a result,* workers can remain in ordinary clothing.

With the process, McDonnell Douglas is providing parts for *the F-15 Eagle and AV-8B* Harrier aircraft. Other components could be made with the technique, says the company. Fighter aircraft, for *example,* could contain up to 300 parts made with superplastic forming.

Robert Schoppmann, the chief production engineer at the aircraft division of McDonnell Douglas, says that superplastic forming will save the company $6.5m in production costs over 10 years. The corporation is also examining how aluminium components could be made the same way.

PETER MARSH

Radiation

U.S. develops special detector

WORKERS in the uranium industry in the U.S. could receive greater protection from dangerous radiation, thanks to a technique developed by government researchers.

With computer-controlled equipment designed at the Department of Energy's Pacific Northwest Laboratories, workers can detect *uranium in concentrations* as little as 0.1 micrograms per litre.

According to the Battelle Memorial *Institute, which* runs the laboratories on behalf of the government, the system is 10 times more sensitive than the hardware now used in the uranium industry.

"The new technique is more reliable than current technology for measuring quantities of uranium in bio-assays or natural levels for background studies," says Bruce Bushaw, the inventor of the system.

Researchers at the laboratories, in Richland, Washington, have harnessed a technique called *kinetic phosphorimetry.* A high-energy pulsed laser projects light *into* the sample. The uranium absorbs the light and re-emits it at a different wavelength.

The machine counts each photon emitted by the sample and a computer analyses the data. The entire process takes about five minutes.

In conventional techniques, ultraviolet light illuminates material in which *uranium* is present. This produces fluorescence, which indicates the amount of the element in the sample.

According to Battelle, this process takes a long time because the sample has to be specially prepared before workers can take measurements.

Bushaw says that Battelle is trying to find companies that will commercialise the device. The 80,000 people who work in the uranium industry in the U.S. could be among those who benefit from the invention, says Battelle.

Computing

IBM PC as terminal

GEISCO, the computer network and services subsidiary of General Electric of the U.S., which operates in 50 countries with a network of *30 mainframes, is offering the* IBM personal computer as a terminal on the system and has become an approved IBM PC dealer in the UK.

Although the company will not seek to sell the PC off the shelf to personal buyers, Tony Kench, recently appointed to manage the UK operation, does believe Geisco has to move away from its "computer resources" image.

He said in London last week: "We're basing our business strategy not around computer resources, which are declining in value, but around the elements of rising value in the marketplace — that is, software and people, which are going to get more valuable and more scarce as time goes on.

Typical of Geisco's business systems and consultancy work was a system set up for Bechtel in Saudi Arabia in connection with the new airport under construction at Riyadh. It controls materials needed by over 200 contractors and is used at logistics control offices in Baltimore, San Francisco, Rotterdam, Amman and Tokyo. More on 01-546 1077.

Offshore

Hose for oil

DUNLOP's oil and marine division based in Grimsby has developed a high-pressure hose for use in the oil industry which Dunlop says is lighter and more flexible than existing products.

The hose, which carries crude oil at high temperatures and pressures, is *designed for use in marginal* fields and new fields in deep water. More information is available from Dunlop in London on 01-930 6700.

RURAL AREAS MAY BENEFIT FROM AUTOMATION

Machines take over the water works

THE VILLAGE of Camelford in Cornwall could be the place that sparks off a wave of change in Britain's water industry.

Next April, engineers from the South West Water Authority should complete the installation of a new kind of control system at Camelford's water-treatment works. The hardware could be the first of several similar installations in treatment plants in other rural parts of Britain.

According to Pendar Environmental, the manufacturer of the equipment, control systems for water works are normally highly expensive at anything up to £250,000. Pendar's hardware, by contrast, costs about £50,000.

The company, which is in Bridgwater, Somerset, says that it has reduced the price by developing software tailored to operate control systems for the water industry. Conventionally, control hardware of this kind comprises variations on other systems which supervise industrial processes. The lack of ready-made software increases the cost of the equipment.

Big water works in towns are normally automated as a matter of course. This was one reason why people in urban areas were barely hit by last winter's national strike in the water industry. Supervisors sitting at the controls of computers could run complete treatment plants and hardly noticed the absence of workers.

But rural water plants still rely on people for jobs such as turning on valves or applying chemicals. This is because the cost of installing automated control systems is prohibitively high.

Pendar says that several of the UK's water authorities are interested in its new system. Ultimately, the hardware could form part of many of the several hundred rural water-treatment plants in Britain.

The company says its hardware can control several hundred *different functions.* These include the operation of valves which introduce water from a source such as a river. The equipment can also handle checks *on various purification* techniques; for example, it can ensure that filters are working properly.

OLIVETTI M20 PERSONAL COMPUTER

THE PERSONAL WITH OFFICE KNOW-HOW

Thousands of Olivetti distributed data processing systems, typewriters and other office equipment are solving the most diversified office problems in offices throughout the world. A demonstration of Olivetti's office know-how that is also reflected in the personal computer. Olivetti, who invested its know-how in the M20 personal computer now introduces you to another member of the family: the M20HQ, that not only has a memory thirty times larger than the basic model, but can also manage a group of M20s working in conjunction with one another. So from today there is a family of Olivetti personal computers with different storage capacities and a wide choice of operating systems (MS-DOS, CP/M-86, PCOS, UCSD-p) to satisfy different needs. And with their 16-bit technology and communication capabilities they will keep abreast of change. In fact they are designed for integration into remote text/data processing and office automation as it is today and as it will be in the future. Olivetti protects your investment in equipment and software. The M20 personal computer makes your problem solving less problematic leaving you more time for the creative side of your job. Olivetti's personal computers embody all of the company's leadership in ergonomics and design which have become a consolidated part of its success in the office throughout the world.

olivetti
brains & beauty

For more information, contact Valerie Belfer (M20/FT2) British Olivetti Limited, Olivetti House, Upper Richmond Road, London SW15 2UR. Telephone 01-785 6666.
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THE ARTS

Raphael drawings/British Museum

David Piper

"Always imitating, always original"

An extraordinary radiance of Venice is now available in the display at the Royal Academy (already acclaimed by Roy Strong in these columns recently) to warm a grey London winter. Anyone in London though, however dazzled by the luminous colour of Venice transplanted, should not neglect the scarcely less important showing of drawings by Raphael in the Print Room of the British Museum, a celebration of the quincentenary of Raphael's birth in 1483. It now enters its last weeks (*till January 14*).

Some 200 drawings are ranged for inspection, 185 of them ascribed to Raphael's own hand. That is nearer a half than a third of those known to survive in the world, although the exhibition is drawn entirely from British sources, and amongst them, almost entirely from only four collections — Chatsworth, the Royal Collection, the British Museum itself, and the Ashmolean at Oxford. It is a formidable holding, its value incalculable, yet one that the "general public" can rarely glimpse owing to the fragility of the medium. Drawings cannot be shown in permanent exhibitions if they are to be preserved from decay, so that their normal condition is to be housed *incommunicado* in boxes. Never before, I think, has it been possible to see displayed together a selection in such quantity, such quality, such range of representation of the facets of Raphael's processes of invention and realisation. Theoretically, it would seem possible to assemble this show again, but I doubt very much that in practice the opportunity to see it again will occur in our lifetime.

It needs perhaps to be stressed that it is an opportunity not to be missed. Though Raphael's name be included inevitably amongst those of the four giants in art in 16th century Italy — Leonardo, Michaelangelo, Raphael, Titian —for many it is the one that now least compels attention, is the least exciting. In a famous passage Sir Joshua Reynolds indicated a crucial quality in Raphael's strength: "it is from his having taken so many models, that he himself became a model for all succeeding persons; always imitating, and always original."

The paradox may be difficult to accept. To begin with, it conflicts with a prevalent stereotype of the artistic genius, towering above his contemporaries by virtue of his originality, owing nothing to *anyone, almost expecting nothing* from anyone, and almost by definition, a solitary, misunderstood. Raphael's near-contemporaries, Leonardo and especially Michelangelo, may seem to fit the image, but Raphael was entirely at home in his time and its society, princely, "divine" even, his only failure being to die so young, a mere 37. Yet leaving behind a body of work that was to remain, for three centuries and more, the ideal exemplar of academic art.

The drawings are, besides being *often of the most* seductive beauty, stages in the development of paintings, or— a new departure at the time— of publication of his work in engravings. He was not only originating genius and practitioner of immaculate technique, but managing director of a thriving workshop. By the end of his life, the great exercises in the Vatican were being produced by meticulous *team-work*.

In the exhibition, the finished paintings are represented by photographs, and indeed a comparable exhibition showing the actual paintings is no longer a possibility. It never was of course for the frescoes, and now no conservator would allow the easel paintings to travel. Small photographs do not flatter Raphael's paintings; the surface finish and the seeming inevitability of his compositions tend to read in them as blandness, but it is by reproductions, whether in books or postcards, *that one's conception of original* Raphaels can get too easily overlaid. The drawings will contradict any such residual memory sharply.

In this show, you can follow the idea as it germinates, sometimes from an almost abstract notation of form, but more often from a living model. A stagger, or teetering posture, of a naked child may stabilise, ultimately, within say the *harmony of the Madonna of the Meadows* in Vienna, as the infant John the Baptist, handing an embryonic cross to the Christ Child. You can observe Raphael moving towards solutions of a classic serenity in which he has no peer, in his power to fix form and content, abstract aesthetics, human subject matter, *intimations of immortality* and divinity, into an indissoluble vital unity.

The drawings are all functional. Initially, the searching of pen or stylus across the blank paper, adumbrations of different possibilities in the human figure; the beginnings of compositions that can develop into a marshalling of staggering complexity, as for the *Disputa*; the working cartoons, sometimes in two stages, the so-called "preparatory cartoons." and battered, darkened remnants of full-*scale working cartoons. The* former category contains some of the noblest drawings ever made, above all perhaps the study of head and hands of two apostles or disciples, one young, one old, reaching in rapt wonder to the miracle of the Transfiguration. But the exhibition ranges through the whole gamut of Raphael's production, from the sweet elegances of the precocious genius in his teens, gradually revealing his own personality from that of his master, Perugino, in his native Urbino, through the swift *flowering in Florence and, into* full maturity, in Rome.

By the nature of the medium, an exhibition of drawings tends to be an occasion for close perusal. I hesitate almost to attempt to attract more visitors to this one, as the scale of the exhibits means that not more really than one person can look at any one of them at one *time. Go therefore, first thing,* at 10 am and with luck you will be able to indulge for an hour or so, in one of the most civilised pleasures that life can offer, to lean (on the rails so exactly placed for your comfort) watching undisturbed a major genius at work a few inches away. It is perhaps the extension *in excelsis* of that *especially British* pastime, watching workmen on site.

A study of the heads and hands of two Apostles by Raphael.

Television/Chris Dunkley

Why must dance stay earthbound?

In the world of television arts programmes, ballet is usually treated as a poor relation: tolerated so long as there is nothing more pressing to occupy the time and even fondly indulged occasionally if it seems that the neighbours can be impressed. Margot Fonteyn was given six programmes in 1980 to illustrate how she saw *The Magic Of Dance* for instance. But most of the time when money or space or facilities are being shared out ballet is forced into the rôle of stay-at-home Cinderella while her more favoured step sisters Grand Opera and Orchestral Music are dressed up to the nines and proudly paraded for all to see.

So when BBC2 began a new series last month called *Dance International* (why they chose "dance" rather than "ballet" when every programme consists exclusively of ballet is a mystery) balletomanes may have *felt that their hour had finally* come. But having now watched four out of the six and realised that *Nympheas* last Friday was the first to be produced new for this series — it is actually *the only new production* — their expectant smiles may be sagging a little.

Yet they should not be too downhearted: the worst of the bunch has already been shown. That was the Kirov ballet's bizarre joke *The Old Tango* which suffered from banal music, and choreography which looked like something Max Wall might dream up after a couple of drinks. The programme this coming Friday on the other hand is, in my view, the best of the collection: *Transfigured Night* performed by the *exciting Netherlands Dance Theatre* to Schoenberg's music against a magical setting of trees under an evening sky.

Moreover the final programme next week, *Romeo And Juliet*, though it is odd and unimpressive in a number of ways, is also fascinating since it shows Rudolf Nureyev and Margot Fonteyn dancing at a *standard which one might* have imagined to be beyond their capacity at any time during the last five years. It is, perhaps, not too ungallant to say that it is remarkable what can be achieved when a dancer is able to perform in short bursts and then knit the results into seamless whole thanks to television.

It is this question of the func*tion served by television* which I wish to address. I do not pretend to be qualified to comment in other than the broadest terms on ballet techniques: that job is admirably fulfilled on this page by Clement Crisp. What *Dance International* has provided is an unusual opportunity for any television enthusiast who happens to enjoy ballet to compare different approaches by different companies in different countries, and to see whether there are any generalisations which can be made about the current relationship between the oldest of all the performing arts and our newest mass medium. . .

The first obvious point is that all the *Dance International* programmes have been earthbound. There have been none of those electronic ballets using the wizardry of Chromakey and Quantel to send dancers somersaulting through the darkness of deep space. I do not oppose such productions on principle: indeed it seems both logical and desirable that dancers and still more perhaps choreographers should exploit the unique technology of television to free *themselves from the constraint* of the floor.

The trouble is that in all the years I have been watching those somersaulting-through-space ballets at international festivals I have never yet seen one which really worked, so it was no great surprise to find none in this series, even if it was a slight disappointment. One day somebody surely will make a success of it—Jack Gold, perhaps, working closely with Kenneth MacMillan.

The most effective ballets on television continue to be those which come closest to the fluidity and abstraction of the electronic works even while remaining firmly on the floor: in the case of this series *Transfigured Night*, the Royal Danish *Ballet's Firebird, and* the one new BBC production—*Nympheas* performed by the London Contemporary Dance Theatre, and produced and directed for television by Bob Lockver.

Admittedly none of the six works in *Dance International* is a thoroughly conventional classical ballet (*Romeo And Juliet* comes closest). But the nearer a work is to a classical production the more it seems to need a proscenium arch, and the less suited it feels to television, and vice versa. Thus the use of a *multiple mix of images in the* modern *Nympheas* to achieve an "underwater" effect was not only acceptable but highly successful, as was the very sparing —perhaps too sparing—use of the big close-up.

The main criticism prompted by this series is that television directors are still making too little use of the advantages *available from television. True,* there is really no substitute for sitting in a theatre watching a live ballet: not only does the homebound viewer lack the atmosphere, the very smell of the theatre, but there is still no camera which can match the human attributes of stereoscopic sight and wide peripheral vision which allow us to watch *a pas de deux without ever* ignoring the corps de ballet. Moreover the theatregoer chooses exactly what to watch whereas the viewer at home has his choice dictated by the elevision director.

On the other hand the human eye cannot zoom in; the theatregoer cannot crane up and over the heads of the dancers, nor dolly round behind them; he cannot construct a compilation picture of the ballerina's face in close-up and her entire figure in motion simultaneously; he cannot mix through from one point of view to another, all *of which—and much more—the* camera most certainly can do. Furthermore the sound television can eliminate from television the incongruous thump produced by even the most graceful dancer landing after a jump. That seems to me a definite advantage though some purist ballet fans insist it should be left in.

Busby Berkeley knew about all these technical advantages in Hollywood 50 years ago and although as a former Broadway director he must have appre*ciated more than most what you* lose by watching a recorded rather than a live performance he also recognised the countervailing advantages of the camera and set out to exploit them with virtuoso panache.

I am not suggesting that the BBC should now rig out the corps of the London Contemporary Dance Theatre with *light-up violins, stick them in* an outsibe fountain and film them from a great crane (*though come to think of it . . .*). But it is surely time to banish some of the timidity from tele*vision's coverage of ballet. Of* course there will continue to be a need for television to act as a *simple medium*, relaying a theatrical ballet performance in a form as nearly unchanged as possible for millions of viewers who otherwise might never see such a thing. But there must also be room for television to become more of a contributory partner in actually forming the experience of the dance.

The two *Dance International* programmes which have come closest to this have been *Nympheas* as already suggested and the sexy Ballet Rambert production of *Berlin Requiem* in which television producer/ director Thomas Grimm took his cameras right in among the girls in their Berlin nightclub outfits of camiknickers and stockings.

The problem, no doubt, is the one we started with: money. The cheapest way of televising a *ballet is presumably to point* a camera from a position equivalent to the stalls and keep on pointing it. In order to move around the dancers, to get above or behind them, completely new set-ups will usually be needed, and that costs money. So does multi-camera coverage and buying the time necessary to compose the sort of electronic mixes *and superimpositions which can* so greatly enhance the experience of watching ballet on television.

But there is no law that says *televised ballet has to be a poor* relation. Without John Drummond's introductions, *Dance International* would have looked like the ragged collection of secondhand films which, in the main, it is. Thanks to him it gained a remarkable coherence and a degree of gloss, but how much more might be achieved with a decent budget. Danish television makes 10 dance programmes a year and buys in two fresh ones, giving the Danes a new programme every month. British television —umpteen times richer—gets *nowhere near that record.*

Dance for Christmas—Elaine Paige in Abbacadabra which opened at the Lyric Theatre, Hammersmith, last night.

Ravel-Varèse Festival/Elizabeth Hall

Max Loppert

Nipping hard on the heels of the Webern cycle at the Barbican comes the great Ravel-Varèse Festival, the main body of which opened with Monday night's London Sinfonietta concert conducted by David Atherton (September's *L'Enfant et les sortilèges* by one of the Sinfonietta's festival partners, the Royal Opera, had been an advance *fanfare*). Whereas most of the Webern concerts have been played to small audiences, Monday night's showing for Ravel and Varèse was handsome indeed; but this phenomenom owes, I should guess, less to the relative popular standing of the composers in question than to the long-term success of the Sinfonietta's brilliant and *enlightened string of thematic*ally planned concert cycles over the last few years.

Apart from the not too inconvenient fact that there is more Ravel than Varèse (and that therefore most of the concerts enclose the latter in substantial amounts of the former), the two afford a typically illuminating pairing, as a glance at the *festival schedule of the next two* months makes clear: two of the century's most distinctive musical personalities, similar in the presentation of their mature music as "objects" of perfect clarity and finish, utterly dis*similar in the nature of those* objects. In this opening concert, there was not quite the hoped-for clear confrontation of those two personalities (that may emerge later in the cycle); for the Varèse selection—*Offrandes* (1921), the 1961 *Nocturnal* fragment completed posthumously by other hands, and *Density 21.5* for solo flute— though intensely enjoyable was not fully characteristic, while in the performance of the Ravel works there was a disconcerting uncertainty of style.

By this I mean that the complete *Mother Goose* score, though securely and accurately sounded, entirely missed the frankness of presentation that protects the in-quotation-marks finesses of Ravel's invention from the equal but opposed dangers of heartlessness and sentimentality. The timbres lacked genuine forwardness, flash, sharpness of cut: Mr Atherton's excess of *ritenuto* in "Le Jardin féerique" was a clue to his larger lapses. In the G major Concerto, played by the festival's pianistic mainstay, Paul Crossley, a similar inability to divine the exact *dramatic mode of each of the* three movements led to a serious loss of excitement in the outer parts and of serenity at the centre; Mr Crossley's delivery was brittle, edgy, too keen to "make an effect." These are questions of Ravel style that demand urgent con*sideration by all concerned* before the next festival instalment.

Awards for travel writers

Vikram Seth's account of his long hitchhike home from Nanjing University to Delhi, *From Heaven Lake* (Chatto & Windus £8.95), has won the Thomas Cook Travel Book Award. Thomas Cook and Seth's publishers flew the winning author, a graduate of Stanford University, California, to London to receive the award of £1,500 at a reception at the Royal Geographical Society.

Sir Donald Barron, of the Midland Bank, made the presentation to Vikram Seth, and also to Michael Leapman who won the best Guide Book *Award of £500 for The Companion Guide to New York* (Collins £10.85).

The other two short-listed titles in the travel book section were *An African in Greenland* (Secker & Warburg £8.95) by Tete-Michael Kpomassie and *Among the Russians* (Heinemann £8.95) by Colin Thubron. Both authors attended the reception, Kpomassie having flown from Paris to attend.

The Thomas Cook Travel and Guide Book Awards were established in 1980 to encourage the art of travel writing and have been administered by the National Book League since their inception.

Requiem/Covent Garden

Clement Crisp

In his realisation of the Fauré *Requiem* Kenneth MacMillan has looked below the generally *gentle surface of the music to* discover the tensions and agonies explicit in the text and implicit in the score. There results choreography often surprising, sometimes shocking in its physical daring, always apt, and in the present revival the Royal Ballet casts have been admirably sure in exposing these qualities. On Monday *night Ravenna Tucker assumed* the role created by Marcia Haydee and showed herself — as we have noted from so much of her soloist work — an artist of rare delicacy and clarity. In the *Pie Jesu* she was especially fine. It demands a child-like innocence of manner, and Miss Tucker's dancing had a pure, contemplative grace that was wholly right and convincing. Here, as throughout the work, she had a luminosity of presence that epitomised the consolatory promise of peace set against the darker textures of the writing for the rest of the cast—among whom Fiona Chadwick was notable as the soaring and then distraught suppliant in the *Agnus Dei*.

The programme also brought a second chance to see the new ballets from David Bintley and Richard Alston. Mr Bintley's *Consort Lessons* springs bright *and true from* Stravinsky's piano and wind concerto, the movement as rich in dynamic variety, as nuanced and full of inflections as the score. Mr Alston's *Midsummer*, alas, still looks to me as if it is overawed at finding itself on Covent Garden's stage, and its classic pretensions seem to spring from *observation rather than* experience. It is a disappointment from the creator of such imaginative pieces as *Rainbow Ripples* and *Chicago Brass*, whose phyical voice is so clear and so admirably individual.

RSC returns to Newcastle

The Royal Shakespeare Company returns to Newcastle upon Tyne next year for an eighth consecutive season of six weeks from February 20 to March 31. The company will transfer the whole of Stratford-upon-Avon's *current repertoire to the* Theatre Royal and the Gulbenkian Studio.

The productions will then move to the RSC's London base at Barbican for the third season from mid-April onwards.

Arts Guide

***Music*/Monday. *Opera* and *Ballet*/Tuesday. *Theatre*/Wednesday. *Exhibitions*/Thursday. A selective guide to all the Arts appears each Friday.**

December 9–15

Theatre

LONDON

Dancin' (Drury Lane): Bob Fosse's answer to A Chorus Line makes Wayne Sleep and his Dash company look like the real thing. At least the *band is splendid, and so* is Jules Fisher's lighting. Anyone who has seen Alwin Nikolais or even Fosse's own All That Jazz need not apply. (836 8108).

Blondel (Old Vic): It is a real pleasure to visit Honest Ed's Old Vic, full of light, space and pleasant stairways. Shame about the show, which not even Paul Nicholas's charm as a troubadour (rhyming with "fondle") *in search of both Richard the Lion*heart and a hit song can rescue. Blondel finds his king, but not the rhapsody. (928 7616).

Dear Anyone (Cambridge): Jane Lapotaire, *without Piaf's songs, is still a* very fine musical actress, but Jack Rosenthal's book to lyrics by Don Black and music by Geoff Stephens is nothing except a few Jewish jokes. Ralph Koltai's design for a newspaper office is an impressive steel astrolabe. (379 5299).

Hay Fever (Queen's) Penelope Keith is more "right" for Judith Bliss than were either Edith Evans or Celia Johnson. *She is very funny, win*somely autocratic, distracted. The supporting actors roll over without protest. (734 1166).

Glengarry Glen Ross (Cottesloe): One of America's best playwrights, David Mamet, has a startling world premiere at the National Theatre

NEW YORK

Cats (Winter Garden): Still a sellout. Trevor Nunn's production of T. S. Eliot children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262)

La Cage aux Folles (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatrical year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the hoopla, apart from the first-act finale a la Gaité Parisienne, but the intimate moments borrowed direct from the film. (757 2626)

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and *leggy hoofing by* a large chorus line. (977 9020)

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from *backstage to loneliness incorporates* all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450)

Dreamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200)

Nine (46th St): Two dozen women surround Sergio Franchi in this Tony-award winning musical version of the Fellini film 8½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246)

On Your Toes (Virginia): Galina Panova with presumably a genuine Rus*sian accent leads an exuberant cast* in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370)

Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscence now that the Nederlander organization generously decided to name the theatre after the generation's outstanding box office draw. (757 8646)

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical *genre with its backstage story* in which the songs are used as auditions rather than emotions. (239 6200)

Carmen (Vivian Beaumont): Peter Brook has done an excellent job in transforming this Lincoln Center landmark into a spruced up version of his grubbier Paris Bouffe du Nord home for a fast-paced, stripped down seven-performer, but wholly engrossing version of Bizet. (874 6770).

Noises Off (Brooks Atkinson): Dorothy Loudon brings Michael Frayn's backstage slapstick farce to Broadway in Michael Blakemore's production that includes Brian Murray, Paxton Whitehead and Victor Garber as her backstage conspirators.

CHICAGO

E. R.(Forum): Moving into its second year parodying melodrama in a hospital setting, this emergency room continues its adventures among a young doctor, a receptionist and an authoritarian nurse. (496 3000)

WASHINGTON

Beyond Therapy (Kreeger): *Christo*pher Durang's romantic comedy has all the elements of modern singles life including meeting through the personal's column of a newspaper and a scene in a hip restaurant, but it reflects more than explores the shallowness of a surfeit of choices. Arena Stage (488 3300)

As You Like It (Arena). The Napoleonic era with its bows to Romanticism are the setting of Douglas C. Wager's production with Frances Conroy as Rosalind and Tom Hewitt as Orlando. Ends Jan 1. (408 3300)

Saleroom

Antony Thorncroft

Two geyao censers from the Song Dynasty, which came to the notice of Sotheby's at one of its discovery events in Shaftesbury, Dorset, sold for £132,000 ($189,000) and £27,500 respectively at *auction yesterday.* The discovery events are opportunities for members of the public to bring their domestic bits and pieces to Sotheby's experts for identification and valuation.

The sale of Chinese ceramics and works of art totalled £788,192, with a reasonable 17 per cent bought in. Other high prices were the £82,500 *paid by the London dealer Eskenazi* for a rare three-handled archaic bronze vessel of around 1000 BC; £49,500 from R. Chang for a rare early gilt-bronze figure of Buddha of *the Sui* dynasty; £44,000 for a pair of equestrian figures, Tang; and £31,900 for a Song/Yuan globular jar.

The two-day Sotheby's antiquities sale totalled £978,824 with a relatively high 27 per cent bought in. The top price was the £30,800 paid for a large Roman sheet bronze panel, probably from the side of a chariot, and dating from around 100 AD.

A dark and ignored painting rescued from a coal shed near Exeter in Devon has sold at Phillips for £40,000. It was recognised as a scene of a British army camp at Lake George, now in New York *State, painted in 1759 by Captain* Thomas Davies.

There was a very unusual sale at Christie's South Kensington, on Monday night when 136 pictures by Tom Keating, the celebrated imitator of famous artists, came under the hammer. His version of Constable's "Hay Wain," with the artist seen on the canvas painting the picture, sold for £5,500, while a work in the style of Degas, showing the artist painting dancers, realised £2,800. All told Keating raised £72,000 from his pastiches.

The British Library has purchased a very important mid-thirteenth century manuscript, known as the Rutland Psalter, from *the trustees of the Ninth Duke of* Ruthland's Will Trust. The sale was negotiated through Christie's, and the acquisition was made possible by grants of £400,000 from the National Heritage Memorial Fund, and lesser amounts from the National Art Collections Fund and the Friends of the National Libraries, as well as from the British Library's own resources.

The Rutland Psalter is one of the finest examples of English book painting and contains probably the earliest examples of marginal illustrations. The Psalter will be on show in the British Museum from tomorrow.

A CAT'S EYE VIEW OF HISTORY

5,000 years ago man invented the wheel.

THEN THERE WAS A BIT OF A GAP UNTIL...

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50 years ago we developed the 100 octane aviation spirit later used in the Spitfire.
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Wednesday December 14 1983

Bold move by Mr Murray

IN CALLING off the national print strike planned for today, the National Graphical Association appears to have recognised two facts. First, no single union, *however disciplined and* well-organised, can consistently defy the law, in an attempt to overturn it, without the support of a substantial majority of the trade union movement. Second, *the majority view of the trade* union movement, as expressed forcibly yesterday by Mr Len Murray, TUC general secretary, is that laws which unions do not like should be resisted, not by illegal industrial action but by political means.

Mr Murray's willingness to use the authority of his office to uphold what he sees as TUC policy, despite the narrow vote in the NGA's favour by the Employment Policy and Organisation Committee, is a notable and welcome event. But the immediate result has been to put his own position in some jeopardy. At today's meeting of the General Council he will come under strong attack from left-wing union leaders. His actions in the NGA affair have brought to a head a growing resentment on the left about the direction in which Mr Murray has been leading the TUC; this involves a pragmatic acceptance of the changes which have taken place in the role of trade unions and a willingness to talk constructively with the present Conservative Government on issues which affect unions' interests.

Sectionalism

There is an element of play-acting in the behaviour of the left-led unions in the NGA affair. For all their rhetorical backing for the NGA, it is extremely doubtful whether they would be able to deliver their members' support for the print union in any practical way. The important question concerns the consequences for the trade union movement of a severe rebuff for Mr Murray or even, in the last resort, his resignation. It would almost certainly lead to a serious split, with the right- and left-led unions increasingly going their separate ways and undermining the authority of the TUC as the spokesman for the movement as a whole. This would not be a matter of great concern to the Government or even to rank-and-file union members, most of whom are far more interested in what is happening in their own companies and plants than in the activities of their leaders on the national stage.

There has always been a strong trend towards sectionalism in the British trade union *movement. Unions are in business* to protect and advance the interests of their members, without much regard to the effects on other people, including members of other unions; the NGA is the outstanding example. Equally, there has been a reluctance to allow the TUC as a body to interfere in the affairs of member unions. One of Mr Murray's predecessor, Mr George Woodcock, remarked 20 years ago: "the whole idea of a super body at the top imposing limits on the rights of trade unions to represent their members is foreign to everything we stand for in this country." Given this background, *it is clear that Mr* Murray was taking a considerable risk yesterday.

He did so, presumably, because he believes that trade unions are at a critical moment in their *history* and that leadership from the top is essential if they are to adjust successfully to a changed world. Throughout the post-war period the trade unions *have* been accustomed, first, to untrammelled freedom in pursuing their sectional interests and, second, to an unquestioned right of consultation, even a right of veto, over *government* policy affecting their members.

This world has gone and it will not come back. Partly through their own excesses, trade unions brought on themselves new laws which reduce their freedom of action in industrial disputes. Recession and the changing structure of industry have weakened some of their traditional bastions. With *a few notable exceptions* such as Fleet Street, labour relations have become more stable. The habit of deference to trade union wishes has been well and truly dropped by the present Government, together with the instinctive tendency to intervene in major disputes; its new labour legislation has been shown to work.

It is hard to believe, even with a stronger economy and a government of the left, that the status quo can be restored. Unions can flail away at the government and cause some disruption in the process. But it would be wiser to face up to reality and find more constructive ways of defending their members' interests.

Half a loaf for the regions

MR NORMAN TEBBIT'S distinctly green-edged White Paper on the regions is likely to satisfy no-one actively interested in the problem of regional decline—which probably means that he has got it right. Regional incentives pose a problem which is insoluble in principle: the greater the social need for aid, because of generally slack activity and high unemployment, the easier it is to show that aid gives no net benefit to the economy, but simply shuffles jobs from one place to another.

Indeed, as a select committee discovered last year, it is hard to prove that any economic *benefit at all has flowed from* the nearly £4bn expended on regional aid in the last decade; which is why some government supporters would like to abolish the whole concept. On the other *hand the social benefit in the re*gions is clear; Mr Tebbit puts the transfer (or creation) of jobs at half a million.

This social argument has carried the day with the Government, which has a somewhat softer heart than it likes to admit, and Mr Tebbit has turned his mind to ways in which incentives in the development areas can be made more cost-effective. It has needed no great ingenuity to come up with some promising answers, though the scale will not satisfy the regional lobbyists.

The cost is to be reduced mainly by setting a ceiling (unstated) on the grant paid per job, and grants can no longer be used simply to re-equip establishments. This meets two long-standing criticism of incentives; the wonder is that it was not done before. The scale of grant (at present 20 or 22 per cent of cost) has yet to be fixed; Mr Tebbit may well expect that *established* industry, which sometimes complains of subsidised competition, will urge some scaling down.

At the same time the scope of the scheme is to be widened to *include a range of services (so* far undefined) and will be paid to support approved projects rather than limited, illogically, to qualifying premises. This broadening makes economic as well as social sense, for services are the growth area in all developed economies

Mr Tebbit has a further aim in mind, however: to try to divert aid away from branches of national and international enterprises toward new, small local companies, which are thought to be likelier to act as the nuclei of self-sustaining growth in future. It is not clear how much solid evidence there is to support this intellectually fashionable thought; and to turn it into action unfortunately means cutting automatic grants to make room for higher selective aid. The history of official judgment is not as bad as spectacular mistakes like De Lorean would suggest, but it is not inspiring.

On balance, though, the proposed changes show a welcome strain of commonsense and should prove, as intended, much more cost-effective than the present system. The real question — explored but not answered in the White Paper —is whether grant aid is the only, or indeed the most effective, way to encourage development in the declining regions.

Better example

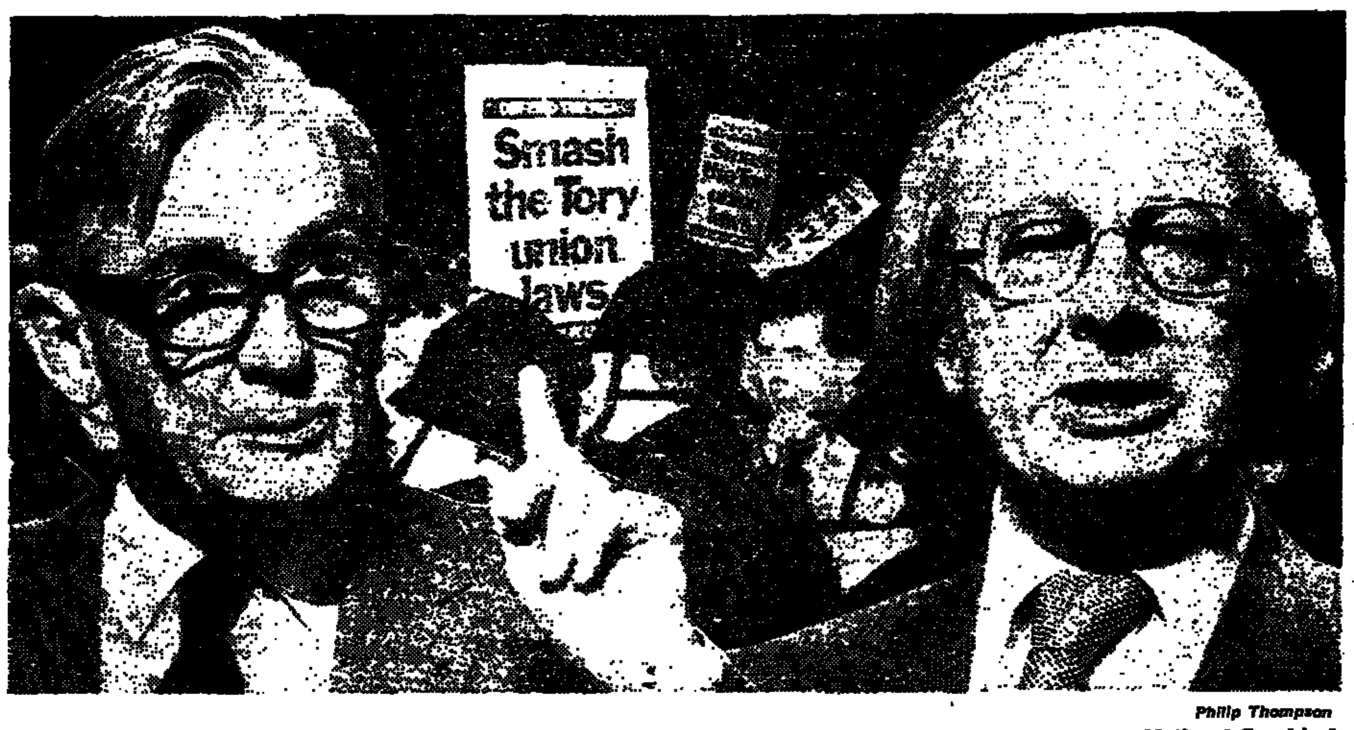
The White Paper, for example, draws attention to the question of regional pay differentials, or rather the lack of *them. As housing is much* cheaper in the depressed areas and the journey to work commonly shorter, employment costs could be reduced without imposing abnormally low real rewards; national bargaining stands in the way. If the Government means to follow this thought through, it should seek to set a better example as an employer. Mobility, as is pointed out, is a *double-edged* weapon; better housing policies might help the unemployed, but still further impoverish the regions they leave.

Finally, as the EEC has recognised in its own aid policies, there is some evidence that infrastructure investment works better than subsidies and without unfairness; the Severn Bridge, *for example*, has done much for South Wales, and its present malfunction could prove a real regional crisis. We would still welcome a full scale review to examine these wider issues. *Meanwhile*, Mr Tebbit's *half* loaf should prove more palatable than the present expensive stodge.

THE TUC AND THE NGA

Murray in the eye of the storm

By John Lloyd, Industrial Editor



Philip Thompson

In the foreground (left) Len Murray, TUC general secretary, and (right) Joe Wade, general secretary of the National Graphical Association, who is due to retire shortly.

EARLY YESTERDAY morning, Len Murray opened the glass doors of the TUC and walked a few steps into the half circle formed for him by some 50 journalists and cameramen, his face livid in the TV lights.

Brendan Barber, the TUC's boyish-looking Press director, handed round copies of a statement issued from the special meeting of the Employment Policy and Organisation Committee. *A few words leapt out* of the page: "Committee . . . adopted a sympathetic and supportive attitude to . . . decision by the NGA national council to call on its members to take industrial action. . . ."

Mr Murray then dropped his bombshell. After a few tense remarks on the NGA's "frustration" at being unable to reach a settlement with Eddie Shah, the Stockport Messenger Group chairman, the TUC general secretary wholly dissociated himself from the decision of a major committee, taken by a 9-7 majority, to support the *NGA*.

"It is impossible," he said, "for a committee of the General Council to vary the decision of the Council itself." Did he think the Council would *overturn* the employment committee's decision? "I shall do my best to ensure that it does."

Mr Murray is a man who attracts adjectives like quiet, restrained, disciplined, even grey. At press briefings, he often tartly reminds questioners that he has no views, being only a "servant of the General Council's will." In the freezing cold of yesterday morning, the servant became the master—and unleashed a storm.

At this morning's emergency meeting of the Council Mr Murray's job is on the line. If a vote is taken on *whether* or not the Council endorses the decision of the employment committee, and if that vote is for endorsement; his resignation becomes at least a possibility. Such a vote is bound to be close: and powerful figures in the TUC were saying yesterday that even if it goes narrowly against endorsement — that is, to support Mr Murray's unprecedented stand —he might still have to go.

Many would deem that a tragedy. His ability, stature and intelligence are beyond question: he has no obvious successor. Moreover, a number of right-wing unions, often reluctant followers to a TUC line, might well peel off from a forum whose centre could not hold.

Why has this cautious, meticulous "servant" put his own future, and that of his movement, on the line? The question has a complex answer.

First, we should remind our*selves how he got here*. The Stockport Messenger dispute, the classic tiny progenitor of a great cause, has progressively and inexorably driven a wedge between those on the TUC who *cleaved—reluctantly in many* cases—to a recognition that union opposition to Government policies must recognise laws they hate, and those who believe some quasi-insurrectionist movement could still be on the cards.

Mr Murray has held steadfastly to the former camp. In the two previous sessions of the employment committee and the one general council meeting before the abortive negotiations with Mr Shah, Mr Murray fought hard, and successfully, both to avoid splits and to keep TUC support within the letter of the law. Financial aid would be for the NGA's "lawful" business: unions would be asked to give what assistance they "properly" could. The Left, and the NGA, grumbled but acquiesced.

Their successful revolt on Monday night/Tuesday morning was partly opportunistic—four centre-right wingers (incredibly, given the meeting's importance) did not turn up. But it was fuelled by resentment of Mr Murray's mastery, and most of all by a fundamental disagreement with the strategy he is pushing along so rapidly and — until now — so skilfully.

The radicalism of that strategy is only now becoming apparent. Mr Murray won assent for it from the TUC Congress in Blackpool in September — a Congress in which he also showed that, in the four years remaining to him (he is 61) he plans to cast aside some of his restraint and go for his goal. The strategy might be summed up as gradualism allied to the ability to deliver, with both elements, in his mind, equally important and contributing to the other.

Gradualism has always been intrinsic to British union practice (much to the impatience *of Marxists* and other left-wingers in and out of it): but in the last two decades, the exercise of industrial muscle, or its threat, has convinced governments either not to legislate, or has rendered legislation inoperable and has even contributed heavily to one Government's defeat (Heath's).

Mr Murray's *point* is that this is no longer on: the 1979 election showed it, while the 1983 election rubbed the unions' noses in it. Assent to "Labour" political goals has to be pain*fully, peacefully, re-won* and within the framework provided by a hostile Government. No longer can the TUC be an "industrial opposition": it has to re-establish its case, most of all to "our own people."

Another theme is even more favoured by Mr Murray: union leaders must speak for real masses of people, rather than play to a militant gallery. His basic question to his colleagues is: *can you deliver?* Deliver on changes in trade union practice, deliver on wage restraint under a Labour Government, deliver on support when promised—most crucially, now, *deliver on any deal he may* strike with the present Government.

He has created, delicately, two arenas in which deals *may* be done. First, with Tom King, the *new Employment Secretary, he* has satisfied himself that the TUC can get a compromise on the political levy which will avert legislation to change the present system of "contracting out" of the political levy payment to one of contracting in—on the assumption that the compromise proposed by the TUC appears fair to King, and *can be delivered*.

If he succeeds, it will put the TUC in the uncomfortable position of policing a system which will force unions to be much more transparent about the rules on levy paying, and will doubtless cause more union members to "contract out": but it is a price he is willing to pay—indeed, he may even see it as a boost to the TUC's authority.

Why has this cautious, meticulous servant put his future, and that of his movement, on the line?

Second, the National Economic Development Council last week agreed to explore the contentious area of where new jobs will come from—an exercise for which Mr Murray had strongly pressed. He does not know how serious the Government will be, nor how much union pressure can force changes of attitudes or policy. But he believes the old ministerial certainties are now shakier: that Cabinet ideologies are turning at least part-prag*matist or have been silenced*, and that some movement is possible. If he does a deal he does not know if he can deliver, but once again, he is willing to try.

A successful prosecution of *this strategy would* recreate the TUC in a new image—though one which its older officials will recognise. It would not be a depoliticised union movement—that is impossible—but one willing to do business with any government. It would be favourable to Labour but concerned to keep out of its pocket, firmly wedded to a democratic structure and all its constraints.

This morning, that strategy *faces a test. Its opponents* though battered, can still muster enough force to threaten Murray's fragile new structure. They do not accept that the Government has a mandate to *legislate for*—or as the *Left* would see it, against—the unions. The 1980 and 1982 Employment Acts are seen as Draconian restrictions on the freedom to take industrial action, while the Trade Union Bill is regarded as an attack on unions' traditional democratic structures.

The posture which unions should therefore adopt, on this model, is of uncompromising hostility: and while the most sophisticated leftwingers no longer expect to destroy the Acts or the Government, they believe that the Acts can be made almost inoperable by the mobilisation of such resistance as to deter employers from using them because of the expense and disruption that would be caused.

For the Left, the NGA dispute is thus a perfect cause. The union concerned is industrially militant and disciplined, the disruption it can cause *widespread* and costly, the industry—general print and national and provincial newspapers—fearful of head-on collision. While some leftists would concede that it would be *difficult* to mobilise their own members in immediate support, they argue that careful building of opposition could yield at least enough sporadic action to help the NGA win.

Those arguing the Left case do have—apparently—powerful battalions. Mr Moss Evans, the general secretary of the 1.6m strong Transport and General Workers Union—the TUC's biggest affiliate—has uncharacteristically taken the lead, arguing a hard line in Monday night's employment committee.

Mr Rodney Bickerstaffe, the articulate leftwinger who leads the 600,000 strong National Union of Public Employees, has been strongly behind him, his militant executive meeting at the weekend egging him on. Mr Clive Jenkins, leader of ASTMS, the white-collar union, and on the centre-left, voted the Left ticket on Monday night and drafted the statement which Mr Murray disavowed.

The still significant group of leftwing leaders of small unions —Ken Cameron of the Firemen, Alan Sapper of the TV technicians, John Morton of the musicians — are solidly against Murray. How many cameramen and musicians will down cameras and trumpets for the printers is, however, the subject of much bitter right-wing comment.

Mr Murray can count on the engineers, the general and municipal workers, the electricians, the white-collar union Apex and many others. The fulcrum is the National and Local Government Officers, whose four representatives on the council are apparently bound by an executive decision of November 26 to give full support to the NGA. Three of these delegates—including the new general secretary, John Daly—are natural moderates—but will they consider the stakes high enough to flout *their executive, and enrage* at least part of it?

A fly on the wall of the General Council's airy, wood-panelled hall this morning will be privileged indeed. For the debate will be a very real one! And those who believe in the gradualist approach — as David Basnett of the general and municipal workers, Tony Christopher of the taxmen's *union*, Terry *Duffy of the* Engineers, Alastair Graham of the civil servants, Alan Tuffin of the postmen's union—will have to come out now and say it. So must those on *the opposite side* — Evans, Bickerstaffe, Jenkins and—the Marxist dialectrician—Ken Gill of the white collar engineers.

The issues at today's meeting could not be starker, nor the stakes higher. All day yesterday, those general council members who did not already know it were waking up to the fact that their words and positions now have to be examined with the utmost seriousness.

None of the possible resolutions will be comfortable to live with. A Murray defeat would be a crisis: a narrow victory perhaps no less of one. We are witnessing a historic turning point for the British labour movement.

Men & Matters

Thornton's return

Hardly had the ink dried on Richard Thornton's resignation letter to GT Management, the highly successful investment group he help found 14 years ago, than RIT and Northern came in with an offer he had no intention of refusing.

RIT & N is the creation of Jacob Rothschild and, latterly, Nils Taube, a long-standing friend of Thornton's. The group is about to merge with Charterhouse Group, led by John Hyde, to form one of the all-singing, all-dancing conglomerates which are exciting so much City attention at the moment.

After leaving GT Management, Thornton had less than a month to work on his garden and enjoy the comfort of the log fire at his Oxted home before the chance arrived to join Rothschild, Taube and Hyde with a brief to beef up the group's Far East coverage.

That is the area where Thornton made his name and where the merged Charterhouse J. Rothschild feels its global coverage may most need strengthening.

Thornton will be concerned first of all with the structure of the business Rothschild will set up in the Far East. The company says, enigmatically, that it has several ideas in mind.

The style of the house, the nature of its creation, and its willingness to drop its investment trust status when the merger was announced, suggests that Thornton could be deal-making as much as stock-*picking in future*.

He has already said that the ultimate financial tie-up might entail a link between a London broker and a Japanese securities house. RIT & N already has a stake in Kitcat and Aitken. Watch this space.

Seasonal risks

Bosses beware. Have you ever considered the risks attendant upon the office Christmas party? The inherent risks being courted when the sales director pours a large gin for the switchboard girl; or when the canteen lady takes the promises of the personnel manager at their face value.

One enterprising company, Hambro Housley Legal Protection, is offering an insurance and advisory scheme to protect the employer from just such social pitfalls. The company is offering a 24-hour service and is telling its clients to ring at any time, day or night, if the revelries get out of hand.

The problem with seasonal jollifications, explains Hambro Housley, is where to draw the line. It appears that the odd cream cake or trifle has been buried with "gay abandon" at various managing directors in time gone by. The filing clerk has been recorded as telling the office manager just what she thinks of him. And some members of staff have become more friendly than might be considered appropriate with colleagues.

Our legal eagles warn against the temptation to employers to act "precipitally" on these occasions. "Bosses can find themselves treading dangerous ground by giving employees their cards for getting carried away at the Christmas bunfight."

Sackings on Christmas Eve do little to improve a company's relationship with its staff, Hambro Housley reminds.

Return fire

Merrill Lynch—the thundering herd now on the charge for London's finest stockbroking analysts—has not entirely cornered the market in sharp talking. Business is booming to such an extent in some stockbroking firms in London that one broker approached by Merrill with its usual mega-buck offer remarked: "I can't afford to take a pay cut."

After effect

The Prime Minister has put Willis Faber, the City *insurance* brokers, on the spot.

Last year, the firm sponsored a competition for manufacturing effectiveness. Sixty-three teams from British industry entered, *and the £10,000 prize* was won by a team from Dunlop which had planned a new way of making tennis racquets, using carbon fibre.

John McEnroe used one of *Dunlop's black* racquets at Wimbledon last summer.

Then, and since, Willis Faber has taken the view that, while delighted with the response, it was not committed to making the award a regular annual event.

Chairman David Palmer had more or less decided on one more competition.

Then Mrs Thatcher *wrote to* the Institution of Mechanical Engineers, declaring her "enthusiastic support" for its efforts to help industry improve its manufacturing effectiveness, *and wishing good luck* to competitors in the Willis Faber Award, which she hoped would "go from strength to strength."

The only thing contestants for the next £10,000 need worry about, however, is getting their entries in before next June.

First aid

Former U.S. congresswoman Millicent Fenwick has been causing quite a stir in Rome—and not just because she is a 73-year-old pipe-smoker, who drives herself to work from a sparsely-furnished flat in the Via Veneto.

While Washington has been spreading gloom by its decision to cut Third World aid funds, Fenwick has been bringing a glow of optimism to the agrocrats of the Food and Agriculture Organisation which is based in the Italian capital.

Recently appointed first U.S. permanent representative to the FAO, Fenwick has found her days on the African affairs sub-committee of Congress useful in pulling down the usual institutional barriers between the U.S. and Third World countries.

As a result of her efforts, the last biennial meeting of the FAO ended on a positive note for the first time in many years.

And in the past few days she has been describing the UN's newest agency, the International Fund for Agricultural Development, also based in Rome, as "essential" and "indispensable" even as Congress's slowness in appropriating funds was putting the agency's future in doubt.

Not all U.S. diplomats, it seems, share Washington's antipathy to multilateral aid.

Bomb-shell

Extract from a client's letter to international insurance brokers, Stewart Wrightson:

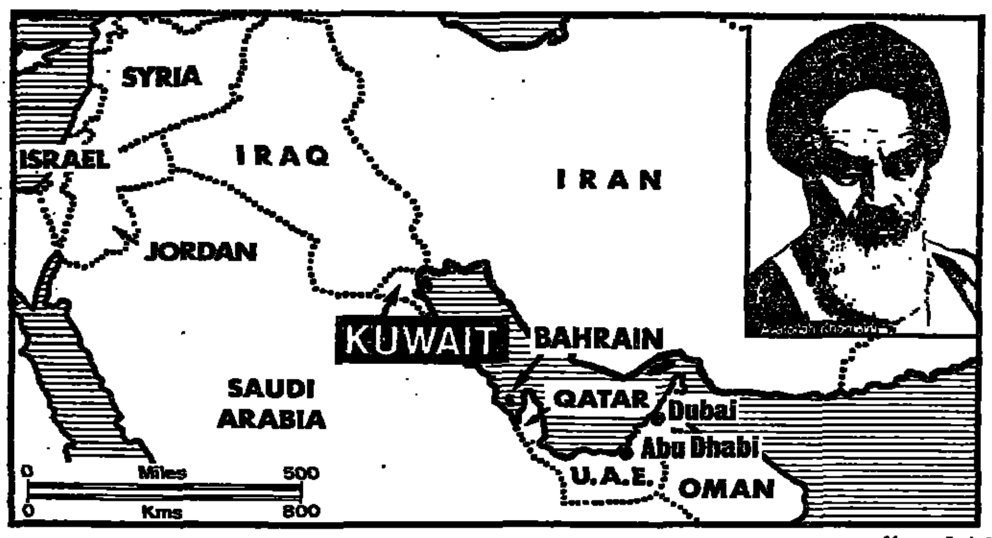
"I regret to inform you that my bomb-proof, reinforced nuclear survival shelter has been totally wrecked by vandals."

Observer

EXPLOSIONS IN KUWAIT

The shadow of Khomeini

By Roger Matthews, Middle East Editor



Marion Sedger

MOST DAYS the Arabic service of Tehran radio beams messages of insurrection and rebellion across the waters of the Gulf. The target is the peoples of the conservative Arab oil-producing states, essentially Saudi Arabia, Kuwait, Qatar and Bahrein.

Western attention tends to be focused more on Iran's three-year military attempt to overthrow the government of Iraq but it should not be supposed that Ayatollah Khomeini has in any way forsaken his goal of spreading his Islamic revolution to other and possibly more vulnerable states.

Wealth and nationalism are both recent acquisitions in the Gulf region. Some members of ruling families can remember days of semi-poverty during the Second World War when their economies had been shattered by the Japanese discovery of cultivated pearls and political guidance came from the British Resident.

Today their numbers remain small—the populations of Saudi Arabia, Kuwait, Oman, Bahrein, Qatar and the United Arab Emirates who form the Gulf Co-operation Council are less than 20m—but their combined financial resources may not be far short of $275bn. Despite the sharp cutback in oil output they are still providing close to 15 per cent of the industrial world's requirements.

The well-co-ordinated explosion of six terrorist bombs in Kuwait on Monday seems to be a timely reminder of both their vulnerability and Iran's ambitions, for there can be little doubt that the Iranian regime was behind the attacks.

Kuwait, which is scarcely more than a city state of about 1.5m people, is geographically and politically exposed to the conflicts of the Gulf. It is only about 100 miles from the scene of some of the bitterest fighting in the Gulf war and its population is far from homogeneous.

As a wealthy Arab state, with reserves of over $65bn, Kuwait has perforce to support Iraq, its brother Arab state, in the war. It has contributed at least $6bn in cash to the Iraqi war effort and still acts as an important supply route.

Yet Kuwait and its ruling al-Sabah family have become increasingly uncomfortable in this role. Its own Shia Moslem minority, co-religionists of Ayatollah Khomeini, tend to be rather ambivalent about the war. Pragmatically, they enjoy the stability, wealth and relative political freedom of Kuwait. Emotionally, they tend in private conversation to give away their eagerness for confirmation of Iranian successes on the battlefield.

The Emir of Kuwait would much prefer the war not to become a domestic issue. His Government cannot have been happy at warnings from Iran during the past three months that it considered the degree of support being given to Iraq threatened to make Kuwait a co-belligerent. The Iranian threat to stop and search ships heading for Kuwait remains on the table.

During the first year of the Gulf war, Kuwait was bombed three times by Iranian aircraft. Although the targets were not very significant—two border posts and a gas-gathering station—and the Iranians claimed that the attacks had been carried out "in error," the message was clear enough. The Kuwaitis feared the message was becoming even clearer during the increasingly bellicose exchange of threats this autumn which marked the delivery to Iraq of French Super-Etendard aircraft equipped with Exocet missiles.

Although Kuwait's investment income would suffice to tide it over a closure of the Strait of Hormuz, the risk that the war with Iran may spill over into the rest of the Gulf pre-occupied the summit meeting of the six-member Gulf Co-operation Council in Qatar last month.

Quite extraordinary security measures were taken to protect the heads of state from Saudi Arabia, Kuwait, Bahrein, Qatar, the United Arab Emirates and Oman. This was partly because of the anxiety provoked in Qatar by the discovery a couple of months earlier of a cache of arms and explosives. But it also reflected the fact that the GCC owes its existence largely to concern about external threats. The militarily weaker Gulf states wanted to free themselves at least partially from the influence of Iran and Iraq, and also to demonstrate to President Reagan that a U.S. military presence was not required on the ground to protect them from a Washington-perceived Soviet threat.

Kuwait prides itself that it is the most politically sophisticated of the GCC states and the most internationally oriented. Alone among them Kuwait holds elections to a National Assembly — admittedly with a very limited suffrage—and maintains relations with the Soviet Union.

To an extent this policy is dictated by the large Palestinian population in Kuwait, estimated at between 300,000 and 400,000. Kuwait is the only Arab Gulf state to have admitted Palestinians in such numbers.

While a proportion of those Palestinians have adopted Kuwait, even though they will probably never be allowed citizenship, there is almost certainly a radical fringe which would for example support the rebel faction attempting to unseat Mr Yassir Arafat as chairman of the Palestine Liberation Organisation. It is amongst those people that terrorist infiltrators might seek assistance, particularly after the recent deepening of the strategic relationship between Israel and the U.S. and the deterioration of the situation in the Lebanon.

Much of Iran's early propaganda after the overthrow of the Shah was designed to promote itself as the leading advocate of the Palestinian cause. And Ayatollah Khomeini has actively sought to invoke the power of Islam as a replacement for the fast-fading aspirations of Arab nationalism.

For their own reasons, Syria and Libya have both provided support for the Iranian mullahs. Syria has given military backing to Iran during the Gulf war and helped to weaken Iraq economically by shutting its oil export pipeline to the Mediterranean. Simultaneously Syria has frustrated attempts by King Hussein of Jordan and Mr Arafat to agree on a common approach to negotiations with Israel as called for by President Reagan's Middle East peace plan.

The effect of Syrian policies has been to weaken still further Arab co-ordination, which remains based on consensus rather than on the will of the moderate majority. The key to invoking that often silent majority is Saudi Arabia and its Gulf partners. However, they have hesitated to act, primarily it appears from fear of the sort of terrorism witnessed in Kuwait on Monday.

Yet in the smaller Gulf states, where nationals are a minority of the population as in Kuwait, stability rests more on political factors than on the efficiency of the security forces. The al-Sabah family's power rests on its ability to provide continued prosperity and stability, not on its police force. The collapse of the unofficial Souk alManah stock exchange earlier this year, with paper debts of $90bn still in the process of being unscrambled, caused deep financial unease within the country. The unease was exacerbated because senior officials admitted openly that they had allowed the speculative wave of share-buying to proceed to counteract public concern over the Gulf war.

The world decline in oil prices and the fall in Kuwait's own production levels is also imposing financial restraint on the Government after a decade of non-stop growth. Kuwait still enjoys one of the highest per-capita incomes in the world, but must be anxious about the effect on its population if lower growth rates are combined with a growing sense of physical unease. For the very wealthy, security and survival abroad may become more attractive than only recently acquired nationalism.

The political conservatism and timidity of the rich is visible elsewhere in the Gulf, and Iran must be hoping that if it can undermine one regime the others will topple in succession. However there is no evidence yet that Saudi Arabia, the real prize for the radicals, is showing signs of political strain while Oman, under the pro-Western Sultan Qaboos, remains aggressively independent of Arab radicalism.

The United Arab Emirates—with seven member emirates—is holding together better than many people would have forecast 10 years ago, despite recent problems about the scale of budget cuts.

Bahrein and Qatar also appear outwardly politically calm. There is no evidence of any groundswell of domestic discontent with their leaderships. But all these states fear that they cannot for ever be isolated from the ferment in the region.

International Debt

There is a way to defuse the bomb

By Allan H. Meltzer

ARGENTINA, Brazil, Mexico, Nigeria, Venezuela, the Philippines, Ghana—one after another they announce they cannot pay the current instalment or interest on their debt. A flurry of activity follows. Bankers, Government officials and international bureaucrats scurry about until they agree on the size of the patch to the country's financial position. Another "crisis" passes or is swept from public attention by some newer, possibly larger, foreign or domestic problem.

A year ago, it was fashionable to worry about the "debt bomb." A year later, after a torrent of words and a lot of discussion, international debts are larger, not smaller. There are more reschedulings. A growing list of countries is unable to pay the interest on its debt.

The International Monetary Fund has more money for international loans. After long delay, the U.S. Congress voted to pay its share of an almost $50bn increase in the amount available for lending to governments around the world. The speeches and talk preceding this decision describe the increase as a step along the path leading to an orderly solution to the debt problems. It is not. At most the new loans will slow the drift toward a future crisis.

Current practice is hard to defend. When a country cannot pay the principal or the interest on its debt it goes through "rescheduling." Repayment is put off for several years in exchange for a fee, at times hundreds of millions of dollars. Of course, the debtors don't have the money to pay the fee or the interest on the old debt, so the banks lend them more money. The debt gets bigger, interest payments rise and the problem grows.

The banks record the fees and the interest payments as income, but they receive only the new money that they and the Fund advance. The income that the banks report is just their own money recycled back to them. The increase in the Fund's ability to lend permits this process to continue. The best that can be said is that the lending buys time while the governments decide what to do.

But that is not happening. The Fund, the banks and the governments do not have a plan to solve the problem. They just hope that the problem will go away as the world economy recovers. If that does not happen, governments of the major creditor countries will be under pressure to take over the losses and bail out the banks.

There is no justification for a government bailout. Banks have years of experience with problem loans of all kinds. The usual way of dealing with debtors who cannot pay their debts is to sell the property and settle the debt.

> Exchange part of the debt for shares in government controlled firms

This traditional practice has not been used this time because many of the loans are guaranteed by sovereign governments. These guarantees have been debased, however, by the policies many of these governments followed. Instead of encouraging efficiency and growth, many of the debtor countries followed inflationary policies, built large central government bureaucracies and allowed them to control most of the investment and a large share of the spending financed by foreign loans.

The governments in the debtor countries now own or control many firms and valuable assets, including oil wells, petrochemical plants and banks in Mexico; iron ore, electric power plants and petroleum refineries in Brazil, and other assets elsewhere. These government corporations can be a source of profits if they are operated efficiently. They also offer a way to reduce the external debt to manageable size.

The debtor countries should exchange part of the outstanding debt for shares in the firms that the governments control. The exchange would lighten their debt burden and improve the quality of the banks' claims. The debtors would, of course, have to make the politically difficult decision to surrender partial control of state-owned enterprises, but this seems far less costly than the most likely alternatives — continued severe reductions in standards of living for most of the population or an explicit moratorium on debt payments.

The banks' loans are valued by the accountants and regulators well above the value the loans would bring if sold in financial markets. These values are fictitious. If the loans were traded like bonds, they would now sell well below par. The banks have little chance to recover the full value of their loans. When they occasionally sell loans to other banks, they receive only about 70 to 80 per cent of the face value. If part of the debt is exchanged for equity, as I propose, the exchange should be made at current market value.

Debtor countries and creditor banks have no incentive to look at this solution to the debt problem, or any other, until they are convinced that they will not be bailed out by the taxpayers. The first step toward a solution is to end the present stalemate. The public has a large stake in this issue because uncertainty and current policies restrict world trade and hinder economic development and recovery.

The most severe restrictions are imposed by the International Monetary Fund. The Fund requires countries to reduce imports and to expand exports as a condition of receiving aid. But Brazil, Mexico, Argentina, and Nigeria have substantial trading arrangements. When each country contracts its imports, it contracts the exports of one or more of the others, so all are worse off.

These contractive policies make no sense. They are cut from the same cloth as the financial policies of the 1920s, and they have a similar result—repeated, spreading financial distress.

The author is John M. Olin Professor of Economics at Carnegie-Mellon University and Visiting Professor of Economics at the City University, London.

Letters to the Editor

Competition policy—an insoluble area?

From the Chairman, National Bus Company

Sir,—Thomas Sharpe's generally thoughtful article on competition policy (December 7) contained a passing, but misleading, reference to the express passenger transport business. The implication was that National Express as a public monopoly exploited its dominant market position. The simple answer is contained in his first paragraph where he rightly says "there are losers as well as winners." National Express merely did what any other market leader would do in the face of competitive threat.

The most important effect of the deregulation of express coach services in October 1980 was that express coaches were permitted to embark upon unrestricted competition with British Rail, which in a market dominated by the private car still has a market share roughly double that of the express coach. Such healthy competition continues to be frustrated by the fact that BR Inter-City is subsidised by the tax payer and in a price sensitive market BR can and does use uneconomic pricing as a weapon to constrain coach market share.

It must be recognised that there are natural barriers in any market to free competition, in this case, the high cost of market entry. National Express operates a national coach network with established coach-to-coach interchange points (made use of by 25 per cent of our customers). When integrated with regional bus services this provides comprehensive geographic coverage (over 100 principal destinations served direct from Luton for example). This network is backed by a substantial marketing capability covering passenger handling at off-street terminals, booking systems and a nationwide network of agency outlets to make it easy to gain access to the product. New market entrants could not compete effectively without this back-up and given the uncertain circumstances described in the previous paragraph the necessary capital investment was a very high risk proposition. In fact, a substantial number of independent coach operators operate in conjunction with National Express principally to gain the benefit of our broad marketing capability.

The movement of customers by coach occurs in several ways: National Express is indeed market leader in the high risk, low return regular express service business based on the sale of individual seats. Independent operators have the lion's share of the complementary fields of private coach charter and excursions, which are low risk, low return businesses requiring little capital investment and only local marketing capacity.

In a more general sense, a few additional observations can be made. The scheduled express services in this country, as an effective presence in the market place, will need to be in the hands of relatively few national operators, regardless of whether the business is in public or private ownership. In fact, if National Express ceased to exist, it would probably need to be reinvented.

The business growth achieved by National Express in a competitive commercial environment is something that any entrepreneur would be proud of, and that growth has been drawn from competitors and from new business generation. Such success was founded on a thorough knowledge of the market and identification of where growth potential existed. Other operators, as British Airways has recently found in its experiences with British Midland and the Shuttle, are always free to exploit any market leader, no matter *how* dominant his position, if he does not keep in touch with his market.

Competition policy is a difficult and perhaps insoluble area. Liberalising markets will only allow competition to develop if the emphasis is placed on the market rather than the product. Government intervention in the long distance travel market has in recent years included support for car manufacturers and BR, who between them have a share of about 85 per cent, but nothing for coaches. If a proper competitive framework was brought about, I suspect the gale of creative destruction would unleash great opportunities for coach entrepreneurs, public and/or private.

Shepherd.
172, Buckingham Palace Road, SW1.

Fall in capital spending

From Professor D. Myddelton.

Sir,—Mr Peter Rees, Chief Secretary to the Treasury, is reported (December 7) as suggesting that public sector capital spending "has probably remained about level in real terms since 1978/79." This may be so for the nationalised industries, at about £6½bn 1980 pounds each year; but surely not for the public sector as a whole?

The National Income and Expenditure Blue Book shows a significant fall in general government capital spending from £11bn 1980 pounds in 1973 to less than £7bn in 1978 and to less than £4bn in 1982.

It is not so much the fall in government capital spending that is to be deplored, since so-called "investment" can easily turn out to be wasted. Rather it is the staggering increase in the cost of the welfare state from 22 per cent of national income in 1972 to 32 per cent in 1982 (that is, from about £36bn to about £54bn 1980 pounds).

The welfare state is an irresponsible society because it deliberately separates costs from benefits. Its existence also tempts irresponsible politicians to jettison capital spending, whose benefits, if any, may not be enjoyed for several years, in favour of excessive costs of welfare services thought necessary to bribe the electorate.

(Professor) D. R. Myddelton.
Cranfield School of Management,
Cranfield, Bedford.

The need for power stations

From Dr L. Brookes.

Sir,—Dr Papadopoulos of the South Bank Polytechnic (December 6) joins the ranks of those who, though bearing no responsibility, think they know better than the CEGB how its affairs should be conducted.

Arguing from some sleight of hand with the plant reserve margin he tells it that it has 10 per cent more power station capacity than it ought to have. Taking this as his starting point and projecting electricity at its recent growth rate of ½ per cent per annum (compared with the 7 per cent per annum when economic growth was at the level the Government thinks it will shortly return to) he asserts that a power station that will not come on line until the 1990s will not be needed.

The ½ per cent electricity growth rate which he takes as the norm has occurred during a period in which the industrial output component of GDP (an important factor in electricity demand) fell by 18 per cent. This is surely a trend most of us would rather see brought to a halt. Dr Papadopoulos seems to want to plan for its perpetuation.

(Dr) L. G. Brookes,
16 Ipswich Road,
Bournemouth.

Revival of direct investment

From the Executive Secretary, Wider Share Ownership Council

Sir,—John Moore's article on the Stock Exchange survey (November 15) notes the survey as saying: "We have yet to see any substantial move to encourage a revival of direct investment in established Stock Exchange listed business". This is sad but true.

One reason is, perhaps, that many people are not certain how to go about investment. They need advice but do not know where to seek it. This is strange because most potential investors have bank accounts. Although their bank manager cannot commit himself or his bank by accepting any responsibility, he is the ideal person to consult. He is easy to reach and his unique knowledge of the investor's private financial affairs enables him to indicate how a portfolio of shares should be compiled; also he usually has daily contact with stockbrokers and banks have their trust divisions for the larger investors. Perhaps the banks could give more encouragement to their customers to seek advice.

Although it is pleasing to see wider share ownership through pension schemes, our council would also like to see more private investment either directly or through company employee share ownership schemes which, I am glad to say, are becoming more popular.

Ivo Nicholls.
126 Hayes Lane,
Kenley, Surrey.

An accounting convention

From Mr J. Skeffington.

Sir,—Mike Osborne (December 7) raises a point which I have been making for some years. It seems quite illogical that the Government cannot finance its capital expenditure by borrowing. The contra to this, however, is that it must make periodical repayments of the loans over the life of the asset, which is the method used by commercial concerns. It appears that Governments just continue to increase their borrowings. One would not mind Government borrowing if it were utilised to meet capital expenditure and the breakdown of Government expenditure would therefore be most revealing.

J. C. Skeffington.
The Coach House,
Upper Eashing,
Godalming, Surrey.

FINANCIAL TIMES
Wednesday December 14 1983

ISRAELIS POUND ARAFAT LOYALISTS IN TRIPOLI

U.S. shells Syrians near Beirut

BY NORA BOUSTANY IN BEIRUT AND DAVID LENNON IN TEL AVIV

U.S. warships opened fire on Syrian anti-aircraft positions in the Lebanese mountains yesterday after American aircraft on reconnaissance flights were shot at, a U.S. embassy spokesman said.

"There was naval gunfire directed at anti-aircraft positions in the mountains east of Beirut which fired on U.S. reconnaissance aircraft," he said.

Shortly afterwards, Israeli gunboats pounded guerrilla encampments of Palestine Liberation Organisation (PLO) leader Yassir Arafat's loyalists along the coast near the port city of Tripoli. This was the second Israeli attack against Palestinian strongholds in less than a week.

It was not clear whether the U.S. action was in any way related to the Israeli gunboat shelling. A spokesman for Mr Arafat said three of their encampments had been hit.

The clashes occurred as preparations were going ahead for President Amin Gemayel of Lebanon to fly to London for a two-day visit, and coincided with negotiations to finalise arrangements for the evacuation of the besieged Christian town of Deir al-Qamar in the Chouf mountains.

Yesterday's actions have also cast doubt on whether the Israelis will allow the UN-sponsored evacuation of Mr Arafat's fighters to go ahead.

The army spokesman in Tel Aviv said that the gunboats scored direct hits on strongholds and roadblocks of the loyalist PLO forces south of the northern Lebanese port.

The PLO forces fired artillery rounds back at the attacking gunboats, but the Israeli spokesman said that its navy had suffered no casualties.

Earlier in the day, two Israeli soldiers were injured when a bomb exploded at the side of a road in Sidon as their patrol passed by. Before that, there had been an unsuccessful hand grenade attack on an Israeli armoured patrol in the town.

Israel has so far refused to give any guarantees to Greece or the UN that it will not attack the Arafat forces when they sail from Tripoli. Israel vehemently opposes the UN decision to give its protection to the PLO forces being evacuated.

A number of ministers in Israel have said that Mr Arafat should not be allowed to leave Tripoli alive. The Cabinet has not endorsed this view, but Israel is determined to prevent a smooth departure for Mr Arafat, especially after his group claimed responsibility for the bomb in Jerusalem last week which killed five passengers on a bus.

President Gemayel was due in London late yesterday as intense negotiations continued over the evacuation of some 25,000 Christian refugees, blockaded by Druze militiamen in the Chouf mountain town of Deir al-Qamar since last September.

Following international pleas for the lifting of the siege and reported Israeli threats, the leadership of the Druze Progressive Socialist Party announced it would allow Christian militias and civilians to leave the town to spend Christmas with their families.

PSP officials and International Red Cross spokesmen said in Beirut yesterday that the International Committee of the Red Cross (ICRC) would supervise the evacuation of civilian villagers over a five-day period.

President Gemayel will today meet Mrs Margaret Thatcher, the British Prime Minister, Sir Geoffrey Howe, the Foreign secretary and leader of the opposition during his visit to London.

Explosions in Kuwait, Page 19; U.S. concern on suicide attacks, Page 4

Renault reduces stake in Volvo Car to 9.4%

By Kevin Done in Stockholm

RENAULT, the French motor group, has reduced its shareholding in Volvo Car, the car manufacturing subsidiary of the Swedish industrial concern, to less than 10 per cent.

In a surprise move, it has sold back to the Volvo parent company a stake of 5.6 per cent in Volvo Car for SKr 180m ($22.3m), leaving it with a holding of 9.4 per cent. The other 90.6 per cent is held by Volvo. Renault originally paid SKr 80m for the shares through a convertible loan.

Renault was originally expected to increase its holding in Volvo Car to 20 per cent in 1985–86. Volvo Car is also repaying to Renault an outstanding convertible loan of SKr 80m.

Volvo and Renault entered a far-reaching technical and financial agreement at the end of 1979, aimed at co-operation in research, product development and production.

At the time, Renault paid SKr 170m for a 9.4 per cent share in Volvo Car and subscribed to two convertible loans, each of SKr 80m, that would have increased Renault's holding in two stages to 20 per cent by 1985–86. The first loan was converted into equity in 1981, raising Renault's stake to 15 per cent.

Both companies emphasised yesterday that the technical and industrial co-operation would not be affected in the change in shareholding. Renault would still be able to appoint two members to the Volvo Car board.

Since 1980, Volvo Car's financial position has developed far more favourably than the parent companies had expected, which has allowed them to reduce the financial support originally granted.

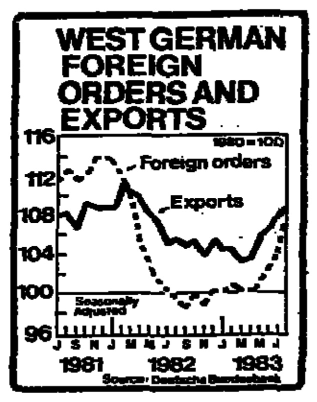
By increasing its stake to more than 90 per cent, Volvo has also secured itself much greater freedom of manoeuvre under Swedish corporate tax law for transferring profits from one part of the group to another.

State fund for French car maker, Page 21

THE LEX COLUMN

Red ink in the Ruhr valley

Yet again, there was no holding the dollar yesterday and the gilt-edged market is now becoming distinctly edgy at the persistence of the trend. Meanwhile, back in the real economy, according to the official figures UK production went into reverse in October. But this may reflect more on the perversity of this statistical series than the course of the domestic recovery.



German industry

The buffing and puffing of West Germany's economic locomotive is taking a grave toll on many of the stokers in the engine room. Yesterday, IBH finally gave up its battle to stave off bankruptcy while GHH, the largest mechanical engineering group in Europe, hinted that net losses of DM 83.9m recorded during the year to June might force a dividend cut for the second year in succession.

The experience of these two companies is not altogether typical. IBH always looked a maverick within the country's capital goods industry, while GHH can blame most of its problems squarely on its biggest subsidiary, MAN. Yet, with Thyssen, Volkswagen and others still showing losses, the overall picture has hardly been encouraging.

The worst should by now be over. GHH itself reported that new orders were showing a 15.4 per cent gain during the four months to October, admittedly from a very depressed base, while the capital goods industry as a whole reported a 6.5 per cent increase in the real level of orders over roughly the same period.

Encouragingly, the recovery in the West German economy, which has been gathering pace since early this year, is shifting from the consumer to the capital goods sector and from domestic to foreign demand. The effect has yet to show through strongly on either industry production or on exports, both of which showed a small decline in real terms during the third quarter, but the stock market is now expecting corporate profits growth of around 15 per cent next year.

Even that kind of performance will not appease the ranks of analysts who see West Germany's capital goods industry in a phase of structural decline. The fact that Germany's machine tool industry is still firmly in the doldrums after a year in which the dollar has appreciated by close to a fifth against the D-Mark and the principal Western markets have at last been showing respectable growth is no source of comfort.

Financial futures

Liffe duly received the official imprimatur of approval yesterday when the clause extending pension funds' exemption from income tax to include operations in the futures market saw the light of day. The legislation was originally planned for the first of this year's Finance Bills, and was lost on the early calling of the general election. In compensation for the delay, the clause as drafted provides a broad brush exemption, in contrast to the more circumscribed reliefs that have emanated from the Inland Revenue in recent years. Furthermore, the clause will have legislative effect as of yesterday. Liffe has already instituted seminars for the funds on how to use the various instruments, and there should be a steady trickle of newcomers to the market in the coming months.

Meyer International

The timber cycle is notoriously a vehicle whose riders spend half their time pedalling very fast and the other half trying to mend punctured balance sheets. Meyer International is apparently carrying off the remarkable feat of doing both things at the same time.

Meyer is certainly getting the full impact of rising softwood prices in its gross margins, and there is also a fair slug of rationalisation savings. Trading margins have run up with a whoosh from 4.4 per cent to 7 per cent, while pre-tax profits for the six months to September increased by no less than 167 per cent to £16.9m.

At this stage in the game, with a lot of Canadian and Scandinavian mills starting to come back on stream and softwood prices likely to level off sometime next year, seasoned traders of the old Montague Meyer shares must feel tempted to make the traditional switch back to the less volatile performers in the sector. But Meyer's gearing is set to fall, perhaps to not much more than 25 per cent by next March, and it seems to have been moving quite swiftly to reduce the scale of its riskier ex-quay wholesaling. So, with a prospective multiple of not much more than 7 on last night's 152p, the temptation to switch may prove more resistible.

Smith & Nephew

After a decade of steady growth, Smith & Nephew has this year produced one set of quarterly figures after another which rather belie its image in the market as worthy but dull.

Yesterday's pre-tax profits increase from £23.4m to £30.1m for the first nine months incorporates a 31.6 per cent gain in the third quarter on the back of a painstaking improvement in operating profit margins.

This new rate of growth may not be sustainable but has obviously benefited from the cyclical recovery which began in last year's fourth quarter for many of the company's products, notably plastics and denim. But also underpinning it have been the gathering momentum behind sales of the new Op-Site medical dressing product – which should reach £17m worldwide in 1983 – and the substantial improvement in the U.S. plastics subsidiary, Anchor Continental: its dollar profits look like rising as much as 50 per cent this year.

S&N has directed over $15m of capital investment to the U.S. since buying Anchor and is now actively looking for another significant acquisition there. Its U.S. Op-Site licensing agreements will boost U.S. income in the meantime and have probably already made a small contribution to cash flow: Interest charges are in any case falling and the debt: equity ratio should end the year under 20 per cent. The company looks on target for pre-tax profits of rather more than £43m for 1983: On a stated tax basis this implies a multiple of just over 15 on the shares at 163p, down 2p but developments in the U.S. might yet warrant a higher rating still.

Hellenic Lines files for protection

By Andrew Fisher in London

HELLENIC LINES, the leading Greek liner shipping company, which ran into financial trouble over interest payments, has filed for protection from creditors under Chapter 11 of the U.S. bankruptcy code.

The company, based in Greece but with much of its management in New York, defaulted last month on a $2.4m interest payment on an $80m credit arranged by Morgan Guaranty and three other banks.

Since then, the banks – also including Continental Illinois, also of the U.S.; National Westminster of the UK (through its U.S. subsidiary); and Banque de la Société Financière Européenne, of France – have had 10 ships arrested. Other creditors have had at least seven more seized.

The filing under Chapter 11 will only affect Hellenic's U.S. operations and assets. It is unclear, though, how these will be defined, as Hellenic runs scheduled shipping operations between the U.S., the Mediterranean, the Middle East, Africa, and south Asia.

Hellenic, headed by Mr Gregory Callimanopulos, embarked a few years ago on a $320m expansion programme to reinforce its position as a leading container-ship operator on these routes.

The finance came from shipyards and banks. Hellenic's banks, led by Morgan Guaranty, decided to arrest the various ships after it became clear that the Callimanopulos family was not prepared to put up more of its own money.

The shipping company said its U.S. subsidiary, Hellenic American Agencies Inc, had also found it necessary to file for Chapter 11 protection after the filing by Hellenic Lines, its main client. The agency company deals with customers, organising their cargoes and documentation.

UK sales boom puts gloomy official output figures in doubt

BY ROBIN PAULEY IN LONDON

BRITISH INDUSTRY is recovering only very slowly from the recession, and manufacturing industry in particular is continuing to have a very thin time, according to official figures released yesterday.

The Central Statistical Office figures for the output of production industries show a fall in October, contrary to market expectations which had forecast a rise after three fairly stagnant months. However, this index is among the more notoriously unreliable and is useful only as a guide to longer-term trends.

The last three months show a rise in total output of 1 per cent over the previous three months and 1.7 per cent on a year ago. The monthly figure for October was a drop of 0.5 per cent compared with September.

Even on a three-monthly basis the output figures indicate only weak recovery, but there are signs that the figures may be understating the true position. The recent Confederation of British Industry trend surveys, which have a high reputation for accuracy, indicate a higher level of output than the official figures are recording.

The persistently booming level of retail sales and consumer spending indicate that there should be some feedback into domestic industry's order books; if the entire spending boom was being fuelled by imports, the balance of payments would by now be substantially negative rather than close to balance.

One of the problems with the production industries' output index is its construction. About 70 per cent of the survey is in value terms, which then has to be deflated; stock adjustments have to be calculated and then everything has to be seasonally adjusted. This regularly leads to very substantial revisions to monthly figures.

The index for manufacturing industry, for example, showed a substantial jump from 93.2 in June to 95.8 in July before falling back to 94.6 in August. This July figure has now been heavily revised to 94.4 (1980 = 100).

The all-industries index in October was 100.4 compared with 101.0 in September and 100.9 in August (1980 = 100). The manufacturing index was 94.0 in October after 94.2 in September. The all-industries index has been helped by record oil and gas production, which rose 6.4 per cent in the three months to October.

The manufacturing index looks very poor historically. The 94.0 October figure compares with 94.3 for the third quarter of 1983, 93.9 for the second quarter, 94.4 for the first quarter, 92.8 in the exceptionally poor fourth quarter of 1982 and 93.5 in the third quarter of 1982. Its trough was 92.4 in the first quarter of 1981 and its high point was 112.2 in the second quarter of 1979.

Within manufacturing, performance varied in the three months to October, building materials, chemicals and man-made fibres advancing, engineering, textiles and clothing remaining flat, and metal manufacturing, food drink and tobacco declining.

BNOC price agreement delay

BY RICHARD JOHNS IN LONDON

AGREEMENT between the British National Oil Corporation and oil companies on prices for North Sea crude for the first quarter of 1984 are expected to be delayed until after Christmas and perhaps into the New Year.

BNOC, which disposes of royalty oil in behalf of the British Government, and in addition purchases 51 per cent of output under participation arrangements, began exchanges with suppliers and customers at the beginning of the week.

It is evidently aware that any North Sea reduction could undermine the Organisation of Petroleum Exporting Countries' fragile price structure. In particular, any cut could trigger off one by Nigeria, whose light crude is in direct competition.

Yesterday BNOC dismissed as speculation a report from New York – attributed to "senior U.S. oil industry sources" – that it was likely to cut prices by up to one dollar a barrel within the next to weeks.

In London one major U.S. oil company suggested that pressure on BNOC was "highly exaggerated," suggesting that Brent Blend, the North Sea reference, was still competitively priced in relation to comparable West Texas crude.

In the oil industry the belief was also expressed that the Treasury would put pressure on BNOC not to bow to any market pressures and to prevaricate as long as possible.

BNOC's discussions with the industry would normally have started at the beginning of December but were deferred to await the outcome of Opec's conference in Geneva. It ended last Friday by confirming its preference price of $29 for the "marker," crude Arabian Light, its production ceiling of 17.5m barrels a day and existing quotas of member states.

Squeezed by conflicting pressures, BNOC, as well as most oil companies, will want to delay a final decision as long as possible to see whether Opec succeeds in restoring confidence in its ability to maintain its official price structure in the face of a sagging spot market. Any agreement could be backdated to the beginning of the year.

BNOC is in a difficult position because it pays for North Sea crude at official selling prices and risks suffering losses through selling on the spot market at below official rates

GAF chief hands over control

By Paul Taylor in New York

MR JESSE WERNER, chairman of GAF, the U.S. chemicals and building materials group, yesterday conceded defeat in the proxy battle with a group of dissident shareholders for control of the company. Mr Werner told GAF shareholders at the reconvened company annual meeting in New York yesterday that he was handing over control of the company to Mr Samuel Heyman and his slate of nine other directors.

The new board was to meet later yesterday. The dissident shareholders' victory marks the end of a 10-month battle for control of the company sparked by disagreements over its future direction. It opens the way for GAF to sell its chemicals business.

Mr Heyman said after the meeting that GAF will seek to sell the speciality chemicals business rather than dispose of its building materials group, as the previous board had favoured.

Allied Corp earlier this year offered to pay $140m for the chemicals division but subsequently called off the deal. Last week, Allied said it might be interested in reopening discussions. Mr Heyman has said at least three companies have expressed interest in buying the chemicals business.

Amalgamated Sugar revealed separately in a Securities and Exchange Commission filing that it has increased its stake in GAF to 7.6 per cent. In the filing, Amalgamated Sugar said it holds 1.09m GAF common shares

Bankruptcy proceedings start for IBH

Continued from Page 1

Among the shareholders affected, apart from Herr Esch himself with 9 per cent are General Motors of the U.S., the Dallah Establishment of Saudi Arabia, Powell Duffryn and Babcock International of the UK, and the Schröder Münchmeyer Hengst (SMH) bank, whose extended lending to the concern helped precipitate the crisis.

Herr Esch, who founded IBH eight years ago and rapidly built up through cheap acquisitions, resigned as head last month after his own restructuring plan failed. At its peak, IBH employed over 10,000

Print dispute threat to unions' chief

Continued from Page 1

Epoc statement and thus placing Mr Murray in an apparently impossible position. Mr Murray, who is 61, has been TUC general secretary for the past 10 years and is regarded as taking a pragmatic approach to industrial relations.

Much – perhaps all – will hinge at today's meeting on the way in which the four delegates from the National and Local Government Association (Nalgo) cast their votes. The union is normally moderate, but the delegates appear bound by a Nalgo executive statement of support for the NGA, adopted on November 26, which explicitly "requests the Nalgo representatives on the TUC general council to give positive backing to the NGA's requests for support."

Ms Ada Maddocks, the senior Nalgo official who is an Epoc member, voted with the minority against support for the NGA on Monday night. However, Mr Norrie Steele, the Nalgo president and a general council member, said yesterday he would press for a vote for support at a meeting of the four delegates this morning before the council meeting.

Mrs Margaret Thatcher, the Prime Minister, in a move unlikely to increase Mr Murray's support on the council today, congratulated him on his stance, saying he was "setting an example which the Leader of the Opposition (Mr Neil Kinnock) could do well to emulate."

The NGA acknowledged yesterday that it needed the backing of the TUC council. Mr Wade said: "It is probably true that we cannot win without the full support of the general council." He added, however, that the NGA could still mount an indefinite strike, or a 24-hour strike, or reimpose the pickets outside the Messenger's Warrington plant.

The dispute began over the issue of a "closed shop" – employment of union members only – and the sacking of six NGA workers.

A mass demonstration has been called for today in Warrington, organised by the North-west TUC regional council.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	14	57	Dubrovnik	F	9	48	Malaga	S	15	59	Salzburg	S	0	32
Akrotiri	S	17	63	Faro	S	15	59	Malta	F	18	64	Seoul	C	11	52
Algiers	F	11	52	Florence	–	—	—	Manila	C	30	86	Singapore	C	31	88
Amsterdam	S	2	36	Frankfurt	C	-2	28	Miami	S	26	79	Stockholm	Sn	0	32
Athens	S	12	54	Funchal	C	20	68	Milan	S	4	39	Strasbourg	C	-1	30
Bahrain	C	23	73	Geneva	C	2	36	Moscow	S	-6	21	Sydney	S	31	88
Bangkok	S	32	90	Gibraltar	S	16	61	Munich	C	0	32	Taipei	C	20	68
Barcelona	S	11	52	Guernsey	C	9	48	Nairobi	–	—	—	Tangier	F	15	59
Beirut	F	15	59	Helsinki	C	-12	10	Naples	C	12	54	Tehran	–	—	—
Belgrade	S	-6	21	H. Kong	S	21	70	New Delhi	S	23	73	Tel Aviv	S	17	63
Berlin	S	-6	21	Innsbruck	C	0	32	New York	R	14	57	Tenerife	C	20	68
Biarritz	S	8	46	Inverness	R	10	50	Nice	R	7	45	Tokyo	C	12	54
Blackpool	R	5	41	Istanbul	C	5	41	Oporto	S	10	50	Toronto	C	-15	5
Bordeaux	F	5	41	Jersey	F	8	46	Oslo	C	-3	27	Tunis	S	15	59
Brussels	S	3	37	Jo'burg	S	27	81	Paris	C	2	36	Valencia	S	13	55
Budapest	S	-5	23	Las Palmas	C	20	68	Prague	C	-7	19	Venice	C	2	36
B. Aires	S	28	82	Lima	S	24	75	Reykjavik	F	1	34	Vienna	S	-4	25
Cairo	C	22	72	Lisbon	S	10	50	Rio de J'o	C	34	93	Warsaw	C	-6	21
Cape Town	–	—	—	Locarno	S	3	37	Rome	C	11	52	Zurich	C	0	32
Caracas	S	28	82	London	C	8	46								
Casablanca	S	17	63	Los Angeles	S	19	66								
Copenhagen	S	-1	30	Luxembourg	C	-3	27								
Corfu	S	15	59	Madrid	S	9	48								
Dublin	C	11	52	Majorca	F	12	54								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

U.S. consumer spending surges

Continued from Page 1

Dolls" – of an American consumer on the rampage.

Earlier this month it was reported that unemployment in November fell much more sharply than expected and, on Monday, the Federal Reserve Board reported that consumer credit, the only sector of the economy, apart from the Federal Government, which has been borrowing heavily this year, hit a new, seasonally adjusted record in October of $4.89bn.

While economists' caution that some of the data now being released will be revised, and that seasonal and other adjustments may be distorting and improving the good news in, for example, unemployment performance, the overwhelming judgment is that the economy is expanding more rapidly still than generally expected.

Another strong gain in retail sales in December seems certain with stores reporting booming Christmas sales and a strong rise in consumer income. Many economists share the view expressed earlier this week by Mr Regan that the momentum in the economy now will carry over into the first quarter of next year.

The detailed Commerce Department report on retail sales showed that overall sales in November rose to $102.5bn from $100.6bn in October, adjusted both for seasonal, holiday and trading day factors.

Car sales were 5.4 per cent higher than in October, and 19 per cent above the November 1982 level at a new record.

Furniture stores were the only durable goods sector showing a sales decline, a response to recent weakening in the housing market. Non-durable goods sales were 0.9 per cent up.

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FINANCIAL TIMES

Wednesday December 14 1983

MAN problems may force GHH dividend cut

BY RUPERT CORNWELL IN OBERHAUSEN

GHH, Europe's biggest mechanical engineering group, could be forced to cut its dividend again in the current financial year, as a result of continuing difficulties at its principal subsidiary, the MAN engines and commercial vehicles concern.

Herr Klaus Götte, who replaced Dr Manfred Lennings barely a month ago as GHH's chief executive, confirmed that his group would make a payment to shareholders for the year ending June 30 1984, but would not disclose its size.

GHH has already been obliged to reduce its 1982–83 dividend to DM 10 from DM 14, as last year showed a net loss of DM 83.9m ($30.5m) compared with a profit of DM 84.3m in 1981–82.

Although most of GHH's other divisions managed to turn in profits despite the effects of the recession in the engineering sector generally, these were more than wiped out by the deficit at MAN (Maschinenfabrik Augsburg-Nürnberg), in which GHH has a 75 per cent stake.

The Augsburg-based company this week reported that its net operating loss in 1982-83 reached DM 329m, after a deficit of DM 150m the previous year. It was differences over how to handle the crisis at MAN which led to the departure of Dr Lennings at the start of November.

According to Herr Gerd Wollburg, MAN's finance director, however, the deficit for the current financial year should be "markedly lower." He hoped that the company would be back in the black by 1984-85, thanks to the rationalisation measures already under way.

Herr Otto Voisard, MAN's chief executive, said that the problems at the group's heavy vehicle and diesel engine divisions had made last year the most difficult since the war.

Total sales by MAN slumped some 9 per cent in 1982-83 to DM 8.8bn – the main reason why group turnover at GHH declined during the same period by an adjusted 10.8 per cent to DM 15.9bn. The contraction at MAN is the main cause of the cut of some 5,000 in the GHH group's total workforce expected during the current financial year.

Herr Götte, however, denied suggestions that parts of MAN might be sold to the BMW motor company as part of its recovery programme. Senior GHH executives also emphasised that despite the problems at MAN, the group had no liquidity difficulties. GHH's resources were sufficient and no increase would be necessary in the present capital of DM 583m, he added.

There are some signs that the emerging economic recovery in West Germany might ease the problems of both GHH and its troubled subsidiary.

Although total orders dropped during 1982-83 by 7.5 per cent from the exceptional levels of a year earlier, there are now clear signs of a pick-up.

Industrial modernisation fund cash for French car makers

BY DAVID MARSH IN PARIS

THE FRENCH Government's newly created industrial modernisation fund is due to make its first low-cost loans to industry before the end of the year, with a sizeable chunk of the initial payments being made to the leading car manufacturing groups, Renault and Peugeot.

The fund is being financed for the most part by tax-free savings deposits gathered from the public by France's network of mainly nationalised commercial and savings banks.

More than FFr 25bn ($3bn) has been collected from the banking system in the tax-free Codevi accounts, which pay interest at 7.5 per cent, since the system started in September. The funds have, however, been garnered mainly at the expense of savers switching money from standard longer-term bank deposits on which tax has to be paid.

Industry Ministry officials say a decision on dividing up the first batch of loans to industry is to be made on December 22. Renault and Peugeot are both seeking cash to help to finance introduction of robots and automated assembly line techniques at their French factories. Officials, however, denied reports that the two groups were to receive FFr 500m each of the first FFr 1.5bn slice of modernisation fund loans.

The fund, part of a series of efforts by the Government to step up long-term investment credits to French industry this year, allows companies to borrow money for periods of up to 10 years at an interest cost of 9.75 per cent. The Government agreed earlier this year that the fund would have at its disposal FFr 3bn this year and a further FFr 8bn next year.

Payments to Peugeot could be made at a time when the Government's relationship with the leading private car group has deteriorated as a result of Peugeot's plan for large-scale lay-offs at its Talbot plant at Poissy, near Paris.

Copersucar sells U.S. coffee group

By Our Rio de Janeiro Correspondent

COPERSUCAR, the heavily indebted Brazilian sugar and alcohol fuel group, has sold Hills Brothers Coffee, the third largest coffee company in the U.S., to a group of private San Francisco investors, including members of its present management, for $54m.

Hills, a century-old company, was bought by the Brazilian group in 1976 for an undisclosed sum. In its early years under Brazilian ownership it made substantial losses and saw its market share shrink.

Sr Jose Luiz Zillo, president of Copersucar, said the new owners would also be taking over responsibility for a $50m syndicated loan for Hills led by Morgan Guaranty, raised in March 1982.

In the financial year to the end of May, Hills declared a profit of $6.5m, of which $5m was repatriated to Brazil, on sales of $350m.

Shell Brasil forecasts first fall into the red

BY OUR RIO DE JANEIRO CORRESPONDENT

SHELL BRASIL SA, the largest privately owned company in Brazil which had sales last year equivalent to $3.7bn, is forecasting its first ever loss in 1983, after 70 years of operations.

Sr Abel Carparelli, president of Royal Dutch/Shell's Brazilian subsidiary, said the loss would be "several billion cruzeiros." At the average exchange rate for the year, this would put it in the range of $5m to $10m.

He attributed most of the responsibility for the result to the company's heavy investments in bauxite and aluminium in Brazil, most of which are not yet showing a return. Shell Brasil is investing a total of $682m in three major mining and metal processing projects.

However, the impact of last February's maxi devaluation on the oil company's financial charges, as well as a reduced market share in the lubricants business, were also blamed for the poor showing.

As with all the other oil products distributors in Brazil, Shell is seeing a steady decline in its petrol station sales, as a result of recession and the government's policy of increasing the authorised retail prices of petrol and fuel alcohol at above the prevailing inflation rate.

Shell Brasil expects the industry's sales to decline by 6 per cent to 7 per cent this year.

In 1982 the Anglo Dutch company suffered a 6.2 per cent reduction in its overall sales, marginally better than Petrobras, the giant state owned distributor which saw sales decline by 7.2 per cent.

In 1982 Shell Brasil made a small profit of Cr 1.5bn ($7.8m) at the exchange rate at the time on sales of Cr 701bn. Before monetary correction under the inflation adjustment formula, it made a loss of Cr 5.5bn.

UNCERTAINTIES BESIEGE CROSS-BORDER LEASING IN BRAZIL

Debt talks leave leasing in the cold

BY ANDREW WHITLEY IN BRAZIL

INTERNATIONAL leasing operations for Brazil – viewed by the Figueiredo Government, until very recently, as an ideal way of maintaining capital goods imports at no immediate cost to the vital foreign trade figures – have become a notable casualty of the debt renegotiation marathon.

The reason is not hard to understand. The foreign debt talks have so far ignored what is, after all, a side issue. The total assets in question are probably no more than $1.3bn, compared with Brazil's gross external debt of over $90bn.

But the trap of uncertainty which the industry finds itself in today has also been aggravated by a number of decisions by Brasilia.

"We realise our problems pale by comparison with those of the big banks," said Mr Karl Parrish, president of Manufacturers Hanover Leasing, last week in Rio de Janeiro. He was on his way to Brasilia to seek redress for the leasing business in the new Brazilian refinancing package, confident that leasing could – and should – play a role in solving the country's problems.

In February, when the international banks' first emergency jumbo loan for Brazil was put together, it was decided, controversially, that cross-border leasing was not a permissible application for the new money.

Nor, apparently, was it clear to anyone concerned whether leasing assets should or should not be included in part two of the rescue package, dealing with the rolling-over of those bank loans falling due for repayment in 1983. As a result, they were left out.

Cast into limbo, whether by oversight or neglect, cross-border leasing to Brazil has come to a virtual standstill. This year the industry is gloomily forecasting a 40 per cent decline in new business, measured in U.S. dollar terms.

In contrast, it had grown over the previous five years at a phenomenal average rate of 45 per cent a year. Last December the 57 companies operating in the local market had total assets of $2.6bn, split roughly equally between U.S. dollar and cruzeiro-denominated transactions.

"We have put a hold on most transactions because of the uncertainty over how they will be treated in the debt renegotiations," said Mr Parrish.

Manufacturers Hanover, which leads the sector in Brazil, with a 10.2 per cent share, says it has about 10 deals, each with an average value of $5m, in the pipeline.

The problem was taken up with the bank advisory committee in New York, with no success. Those leading banks, such as Manufacturers and Citibank, which are prominent in the Brazilian leasing business seemed to take the view that their subsidiaries should sort the problem out for themselves directly with the Brazilian authorities.

As a creditor bank's total exposure on a given date is used as the basis for calculating its liability in any future loan share-out for Brazil, Manufacturers Hanover, for one, is anxious to know how its leasing assets are going to be treated.

The U.S. financial conglomerate will not reveal the total size of its leasing portfolio in Brazil. But it says Brazil accounts for 20 per cent of its international business and that, so far at least, the quality of its portfolio remains "very good."

It cannot rely on this relatively comfortable position lasting much longer. The Brazilian market for imported capital goods collapsed this year, and is unlikely to pick up to any significant extent next year unless the present obstacles in the way of cross-border leasing are eliminated.

In addition, given the uncertainties over how long the Brazilian rescue package will remain in force, there are few takers these days in the private sector for hard currency loans.

Manufacturers Hanover also complains that foreign-registered companies are being discriminated against by the Brazilian authorities in a number of ways.

"These decisions are prejudicing Brazil's interests," warned Sr Gilberto Prado, president of Manufacturers Hanover Arrendamento Mercantil, the local subsidiary which he has built up from nothing over the past 10 years.

In theory, sale and leaseback operations, in sectors such as steel and process engineering, ought to be popular with a government stuck with a large number of unfinished development projects scattered around the country. But somehow the idea does not seem to have taken hold, even though, in principle, the concept is officially welcomed.

If it were not for these extraneous complications, the leasing industry in Brazil could be on the verge of another great surge forward, following the recent introduction of very liberal legislative guidelines.

"The market could double over the next three years on account of the new law," says Sr Prado enthusiastically. His boss, more cautiously, prefers to watch how industry's capital spending plans change.

Spotlight goes down in cable TV battle

By Paul Taylor in New York

SHOWTIME and the Movie Channel, two U.S. cable television channels which merged three months ago, are to acquire the assets of Spotlight, an ill-fated pay-TV joint venture.

The move is the latest in a series of consolidations and mergers which have marked a shakeout in the industry.

Showtime, which is owned by Viacom International, and the Movie Channel, owned by Warner Communications and American Express, were merged into a new joint venture company run by Viacom and called Showtime – the Movie Channel in an effort to compete with Home Box Office, the leading cable channel with more than 15m subscribers, owned by Time Inc.

Under the terms of the latest deal Showtime – the Movie Channel, which has a total of about 7m subscribers, will acquire the assets of Spotlight, a small joint-venture pay-TV Channel started in May 1981 by the Times Mirror Company, which plans to shut down on February 1.

Financial details of the deal have not been made public, but Spotlight's major assets include two satellite transponders on board the Hughes Galaxy 1 satellite.

Apart from Times Mirror, Spotlight's other joint venture partners are Cox Communications, Storer Communications and Telecommunications Inc, three of the leading U.S. cable television operators. Spotlight has 784,000 subscribers.

● Turner Broadcasting Systems, a major U.S. cable TV programmer, is asking cable operators to pay more than double the current fees for its 24-hour Cable News Network service in order to offset a $15m loss on the service this year.

Turner was planning to meet with cable system operators yesterday to discuss CNN's losses, which result in part from Turner's battle with the Satellite News Channel, the American Broadcasting Company and Westinghouse Electric joint venture which Turner acquired recently for $25m.

Earnings gain for Seagram

By Our Financial Staff

SEAGRAM, the Canadian-based distilling and drinks manufacturing group, has reported a 32.7 per cent increase in third quarter net earnings from U.S.$76.1m to $101m, on sales down from $727.4m to $701.2m. Earnings per share rose to $1.13 from 84 cents.

The third quarter performance brings the company's nine-month earnings to $229.8m against $189.6m, equivalent to $2.56 per share against $2.12 in the same period a year earlier. Sales for the first three quarters were slightly down at $1.88bn from $1.94bn.

U.S. GIMMICK LURES SPANISH DEPOSITORS

Banks fight a give-away battle

BY DAVID WHITE IN MADRID

A GOOD interest rate or a pair of skis? This kind of option is becoming standard practice in Spanish banking. In the battle for customers' deposits more and more banks have started offering anything from cars to decorative clocks.

Video cassette recorders (VCRs), colour television sets and dishwashers are the most frequent prizes in this new trend, which threatens to turn bank branches into consumer bazaars.

The cue has been taken from the U.S., where a similar craze was raging a year ago, but in Spain the idea has been taken a step further.

The presents are being distributed not just as introductory incentives but in lieu of financial remuneration on clients' accounts.

Depending on how much you deposit and for how long, you can get a bicycle or a holiday. In one bank, for instance, for Pta 300,000 ($1,900) placed for a year you can come away with an English language course. On the other hand, you will receive only 3 per cent interest.

At another bank you can opt to sacrifice interest for five years on your carefully saved Pta 1m and claim your Seat Panda car.

Choices also range from an electronic organ to a complete edition of a once-banned history classic, Hugh Thomas's The Spanish Civil War.

The campaign, aimed at bringing in household savings, was launched by regional savings institutions and small banks. For the first time, however, a major Spanish bank has joined in with a pilot project in Badajoz, in the remote Extremadura region.

Banco Hispano-Americano, one of Spain's three biggest banks, has just started its scheme there under an agreement with the multinational Philips group, which supplies the goods.

For a VCR, the customer in Badajoz can put down Pta 650,000 for two years or Pta 850,000 for 18 months, and receive a small amount of interest as well.

The state banking sector has already joined in through Banco Atlantico, one of the 20 banks which came under state ownership through the expropriation of the Rumasa group earlier this year.

The give-away scheme is one of the means by which the bank is trying to recover some of the deposits lost since the expropriation.

Other banks can now be expected to join in the fray to catch up with the savings banks in the race for clients' funds.

As a means of promotion, the scheme works not only for the banks but also for the big manufacturers of hi-fi equipment, television sets or mopeds, which have found a new sales outlet.

Not surprisingly, however, it has sparked a retailers' revolt. Electrical goods stores have been campaigning against this novel and unexpected form of competition.

Up to now, the give-aways have been displayed in the banks. However, to avoid provoking the retailers any further, Banco Hispano-Americano has decided to leave the goods in stock elsewhere and give its clients vouchers instead.

From an official point of view the system creates a problem by fudging the distinction between what is consumer spending and what is private saving. From an accounting angle, too, it has given the banking authorities a small headache.

Savings banks have been recording the presents as part of their promotion and advertising expenditure, rather than as part of the cost of their liabilities.

The trouble is that nobody can tell where the gift ends and the payment begins.

Swiss investor puts $26m into Californian thrift institution

BY WILLIAM HALL IN NEW YORK

MR WERNER RAY, a 40-year-old Swiss investor, is paying $26.8m for a 25.6 per cent stake in the Beverley Hills Savings and Loan, a small Californian company, and will head a new international operation which will open an office in London early next year.

He will become vice-chairman of the $1.6bn savings bank and spearhead its effort to lure European investors into the U.S. real estate market.

Mr Ray, who owns Selve holdings, a large metals company based in Thun, Switzerland, has been active for some time in the real estate business both in the U.S. and elsewhere. He has interests in other financial institutions, including ownership of a private German bank.

Mr Ray is the latest in a growing list of investors to become involved in the Californian savings and loan market. Californian state laws have recently been changed with the result that Californian savings and loans have much more freedom to engage in different financial activities.

The Canadian Belzberg Brothers have been active in the Californian savings and loan market for some time

A total of 56 applications to form new Californian savings and loans are currently awaiting approval by U.S. bank regulators. The surge in interest in entering the Californian savings and loan market has caused some concern in official circles, since it is feared that inexperienced investors will use the deposits raised by the savings and loans to finance risky ventures in real estate.

Beverley Hills Savings has agreed to pay Mr Ray $18m for interest in eight U.S. real estate projects. In addition, it will assume approximately $6.2m in encumbrances on properties which will be wholly owned, and on one property a $2.3m development contract with a company affiliated with Mr Ray.

Beverley Hills Savings will make loans and provide letter of credit security in the approximate amount of $17.7m for three projects.

Belgian group forecasts doubled profit

By Paul Cheeseright in Brussels

UCB, the Belgian chemicals, pharmaceuticals and films group, expects to double its ordinary profits this year as the recovery in earnings during the first half continues through the second.

But the group is maintaining its interim dividend at a net BFr 60 ($1.07), it announced yesterday. Total net dividend payments for 1982 were BFr 150.

Following restructuring last year, the group's films sector has moved back to profit. There has been continued growth in pharmaceuticals, and the chemicals division has roughly maintained its profits, despite the sale last year of fertiliser interests.

INTL. COMPANIES

S. African insurers in R3bn merger

BY OUR JOHANNESBURG CORRESPONDENT

THE South African trend towards concentrating financial interests continues with the merger of the country's fourth and fifth largest life insurers, Anglo American Life (Amlife) and Southern Life Association. The amalgamation, which has been agreed in principle, is to become effective on April 1, 1984.

At present, Southern and Amlife are mutual assurance groups but it is intended that the merged group, which will be known as Southern Life Association, will become a proprietary life insurer with a Johannesburg Stock Exchange quotation.

At the end of 1982, Amlife had total assets of R1.35bn ($1.13bn); Southern Life assets were R1.01bn. The two companies now expect their joint total asssets to exceed R3bn, with the merged concern becoming the country's third largest life insurer behind Old Mutual and Sanlam and ahead of the proprietary insurer, Liberty Life.

The mechanics of the merger are that Amlife's business will be vested in Southern and that South Africa's largest banking group, Barclays, will subscribe R135m to the share capital of the merged insurance group. Southern will then issue its share capital to Anglo American Corporation, South Africa's largest mining and industrial group which controls Amlife, to Barclays and to certain trusts.

One of the trusts will offer the shares it receives to the public with preferential allocations being made to Southern and Amlife policy holders.

The intention is that Anglo American will hold 37.5 per cent of the merged company's equity with voting rights and a further 2.5 per cent non-voting shares. Barclays will hold 30 per cent and the remaining 30 per cent will be offered to the public. Of this latter amount, 5 per cent will be offered preferentially to Barclays Pension Fund.

The companies say that the merged group is expected to report earnings of R40m in the year to March 31, 1985, from which it will pay a dividend of about R26m. Annual premium income is expected to be well in excess of R500m.

● To fund part of its R135m, 30 per cent, stake in the newly formed company Barclays National Bank is to make a R80m rights issue. As a result the stake of Barclays Bank International in its South African subsidiary, its largest holding outside the UK, will be reduced from 55 per cent at present to just over 50 per cent. BBI's share in the rights issue is to be privately placed. According to Barclay's National net profit for this year is expected to rise to R122m from R101m in 1982.

Daewoo successful with share and bond issues

BY ANN CHARTERS IN SEOUL

THE DAEWOO group of South Korea has achieved a vote of confidence both domestically and internationally with a substantial over subscription for a recent share offering for its electronics company and its first issue of short-term Euronotes in London last week.

Daewoo Electronics, the seventh company in the group to go public, doubled its paid-in capital of 20bn won ($25m) with the offering of 40m shares. Daewoo said yesterday that the 45 per cent of the shares sold to the general public raised the equivalent of $12m, but more remarkably subscriptions totalled $273m—more than 20 times the value of shares available.

The remaining 55 per cent of the shares were sold to a Daewoo employee association and to several Korean savings institutions.

Daewoo attributed the popularity of the issue to improved prospects for 1983 profits because of the acquisition of a major domestic electronics company, Taehan Electric Wire, in the spring. In 1982, Daewoo Electronics showed a loss of $11.2m.

The last time a Daewoo company offered shares to the public was in 1977, when the trading company, Daewoo Corporation was listed on the Korean stock exchange.

It is Daewoo Corporation which guarantees the $10m short-term Euronote issued in the name of Daewoo Industrial Company (Hong Kong) in the London market. Merrill Lynch International Bank is handling the issue, which is due to close on December 21.

It is the first time a Korean company has issued such notes in the European market without a bank guarantee. The notes, at London interbank offered rate, mature in six months.

Decline at ICI Australia despite strong second half

BY LACHLAN DRUMMOND IN SYDNEY

EARNINGS of ICI Australia rebounded strongly in the second half of its year to September 30, although the annual result ended 23 per cent down at A$24.1m (U.S.$21.9m)—the fourth successive decline—because of the severity of the first half decline.

All but A$1m of ICI's latest annual profit came in the final six months, witness to the effectiveness of the cost-cutting programme of redundancies and plant closures and the absence of the charges from this programme in the closing period. ICI took in abnormal costs of A$12.6m for redundancies in the six months to March.

The pattern of sales was similar, with the annual advance of 1 per cent to A$1.33bn masking an A$85m half-to-half improvement to A$707m. This was also ahead of the A$678m turnover achieved in the closing half of 1981-82.

At the trading level the latest results came out slightly better at A$141.2m against A$140.3m before depreciation of A$63.2m, against A$55m previously, net interest charges of $A30.5m, tax of A$27.3m and minority interests of A$4.5m.

The annual dividend is maintained at 15 cents a share with a 9 cent final.

Thais act on finance houses

BANGKOK — Legislative changes will be announced soon spelling out tough measures for supervising Thailand's 108 finance companies and about 30 credit foncier (house mortgage) institutions, Mr Sommai Hoontrakul, Finance Minister, said after a Cabinet meeting.

Finance companies have faced a steady run on deposits in the two months since three companies in the Equity Development finance group collapsed.
Reuter

Atari seeks own way out of video game woes

BY LOUISE KEHOE IN SAN FRANCISCO

ELECTRONIC MAZES and shoot-outs have saturated the U.S. market, says Mr James J. Morgan, the new chairman of Atari, the struggling video games and computer subsidiary of Warner Communications. Racks of half-price video games in supermarkets and department stores testify to his view that "America is mazed out and America is shot out."

"But the video game business," Mr Morgan states emphatically, "is not dead." The future of this industry depends, he argues, on the next generation of video games reawakening interest.

His faith in the video game is unwavering. In 1983, about 5.5m video game consoles will be sold in the U.S., he predicts. Everyone is focusing on the fact that that number is down from 8m units sold in the U.S. last year, but every other consumer industry in this country would kill to get into 5.5m households this year. Game software sales will be up over last year by 10-16 per cent, he estimates.

While unit sales may be healthy, not even Jim Morgan denies that dollar revenues on those sales are in a steep decline. "With seven companies liquidating their inventories and getting out of the business what would you expect?" asks Morgan.

As the leading video game supplier, Atari has taken the brunt of the declining popularity of the electronic game cartridges that emulate arcade games on home television sets. The company's spectacular growth has been dramatically reversed, with revenues plunging, and losses for the first nine months of 1983 totalling over $500m.

In February, Atari began laying off workers at its California manufacturing plants, transferring some of the jobs to factories in Hong Kong and Taiwan. In all, over 3,000 Atari workers were displaced. Its problems were soon echoed by other video game companies.

The home computer market has also been badly shaken by the entry of International Business Machines, and by declining prices.

Atari's problems were compounded in the summer, when Mr Raymond E. Kassar, the chairman and chief executive, resigned.

Warner communications turned to Mr James J. Morgan, 41, then executive vice-president of Philip Morris, the U.S. cigarette company, to rescue Atari. He took over in September. "My charter was to get out here, get control of the company, get spending back in line, get sales up and try to make money," says Morgan. "I have not been given a specific timeframe."

The idea continues to circulate, however, that Warner will close down Atari, or sell it, as losses mount. "I've received 10 phone calls about it this morning," Morgan acknowledged, when the point was put to him. The calls do not seem, however, to have shaken his confidence. "We have just lost $500m, and now things are starting to get better. Would you walk away from that, after all the pain?

"The one thing that would be disastrous for Atari," says Mr Morgan, "would be for me to drive this company to the point where it had a good fourth quarter by robbing from the first two quarters of next year.

"The problems of Atari involve getting intelligent people to focus their energies in the right direction. There is no magic to it. You have to spend time with people, talk to people, teach people, pat them on the back, kick them in the butt."

Getting the ideas involved to lower level employees has been more difficult. "We have about 3,000 employees now. I think I have spoken to 2,000 of them," says Morgan. "But I am just an empty suit. Employee morale will not be good until there is some tangible sign that Atari will survive." Morgan's efforts appear to be paying off. Last week a group of several hundred Atari employees voted down a move to bring a trade union into the company against management wishes.

Mr Morgan is, however, ruthless when it comes to cutting expenditures. "Atari's overhead spending in July would have supported a company that was going to grow from $2bn to $3bn." Atari's sales went down from $2bn to $1bn. "I have reduced overhead spending by 40 per cent since July by cutting out waste."

With costs coming under control, Mr Morgan is turning his attention to the vagaries of the consumer electronics market. "We are in a shakeout period." he says.

"I am willing to march out of step with the history of this industry and the way our competitors are marching." Already, Atari has upset the consumer electronics business convention of cutting prices to increase sales. Last month, Atari announced that it would raise the prices of its home computers and video games, withdrawing from an industry-wide price war.

Morgan also argues that "it is not technology, but vision and knowing the consumer that will create new demand for video games and home computers in the future." In addition, he rejects the common view that home computers will outmoue dedicated video game systems. "Why should anyone pay $500-$900 for a home computer when they want to play games? Anyway, a game player is basically a computer—it could be upgraded if the manufacturer offered add-on products."

Mr James J. Morgan (above), the new chairman of Atari, is prepared to march out of step with the consumer electronics industry at large

Mr Morgan has even chosen to ignore the traditional showcase of the consumer business this year. At January's consumer electronics show in Las Vegas, Atari will have nothing new to sell. "Our critics will have a field day," he predicts.

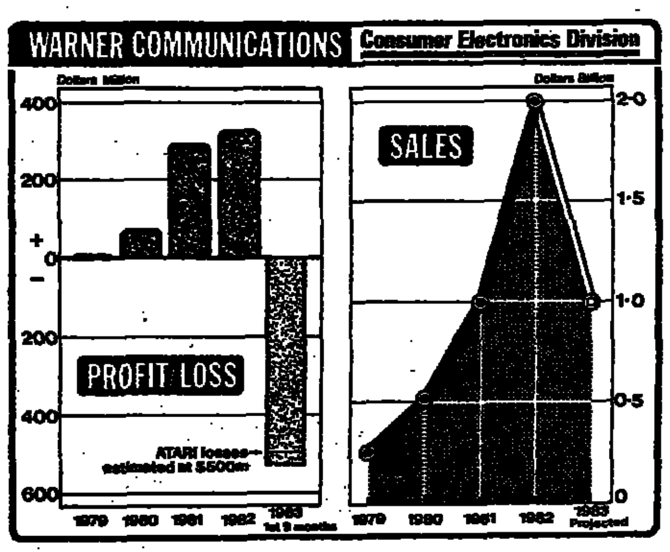
Swimming against the tide seems to be a Morgan speciality. While others are bemoaning lost opportunities, lower profits and a market shakeout in home computers, Mr Morgan sees them as the "most extraordinary opportunity to make money."

He believes the home computer market has yet to be unlocked. "Nobody has discovered the application that will make John or Jane say: 'I didn't know a computer could do that. I have got to have one'."

Atari has the "birthright to be the company that goes to the consumer with the first really compelling application of computer technology," he maintains. He expects such applications to be "dedicated computers."

Next year, Atari will bring to the market the first example of Morgan's vision of the future when Ataritel—a division of Atari — introduces a computerised telephone. The company will not discuss details but Mr Morgan calls it an example of "Atari imagination."

"I am impatient. I want it to be perfect tomorrow, but I keep asking myself if we are headed in the right direction. I think that we are. Atari must focus on what it is good at and not try to be everything to everybody. That is not the way to run a railroad—particularly a railroad that lost $500m in the past nine months."



Intasun soars £4m—market share up

INTERIM RESULTS of holiday tour operator and charter airline group Intasun Leisure show pre-tax profits £4.01m ahead at £20.02m from turnover of £139.72m, compared with £104.04m previously.

The directors point out, however, that the results for any year are dominated by figures for the opening six months.

They add that a somewhat larger loss for the second half, compared with the same period last year, will result from additional costs associated with recent expansion in the travel and airline divisions and the impact of a further seasonal imbalance introduced by Lancaster Holidays and the acquisition of Airways Holidays.

To partly reduce disparity, the interim dividend is being increased from 1.4p to 1.8p net from earnings of 30.8p (25.8p) per 10p share. Last year's total distribution was 4p.

Tax charge rose from £2.7m to *£4.1m.*

The 1983-84 winter holiday market remains competitive but despite this and the repricing and relaunching of the group's main competitors' brochures, sales by early December showed a *real increase of 50* per cent over the same months of 1982-83.

For summer 1984, initial reaction to the Intasun Travel division brochures has been "most encouraging."

Air Europe's total fleet capacity, which has already been sold for summer 1984, will be retained at last summer's level, with the purchase of a second Boeing next March to replace the 757 leased from British Airways for summer 1983.

The Intasun Travel sector carried a record 562,000 passengers in the first half, a rise of 20 per cent over the corresponding period in 1982, for the division *as presently constituted.* The load factor in 1983 was 95.8 per cent (93.4 per cent).

The directors say that despite a slow start to the summer 1983 booking period, a strong improvement occurred after Christmas *which continued throughout the* rest of the season. Although overall the summer market showed almost no growth, the travel division increased its market share.

They add that Air Europe maintained an operational fleet of nine aircraft in summer 1983, comprising seven Boeing 737 and two Boeing 757, one of which was leased from British Airways. This arrangement replaced the cross-lease with Air Florida which was mutually terminated at the end of the winter 1982-83 season.

The airline carried 992,000 passengers for the period, an increase of 11 per cent.

The interim report reveals that the first season's operation of Air Europe's Boeing 757 aircraft "has confirmed, in spite of overcapacity in the airline charter market, the tailoring of capacity to meet demand in the low season can result in profitable operations and continued growth."

Airways Holidays, acquired with effect from November 1 for approximately £1.3m, is an inclusive tour operator which carries approximately 50,000 passengers a year from Newcastle and Teesside airports mainly to Mediterranean countries.

At the end of November, 1983, Intasun Leisure Group's net cash balances totalled £46m (£30m).

In a statement following the release of the half year results Mr Harry Goodman, the chairman, said he felt that next year's holidays market would be one of the best seen in recent years.

He commented that overall, market growth was likely to be around 10p per cent but forecast a group advance of some 20 per cent.

Intasun's market share over the current period has increased by two points to 14 per cent: for next year it is looking for a figure of 16 per cent.

Of its £46m "cash mountain" Mr Goodman insisted the group had no immediate plans to spend it but added that "it is always available should the right opportunity turn up."

He said Horizon did not feature in any of the group's takeover plans.

HIGHLIGHTS

After briefly looking at the industrial production figures Lex moves on to comment on the latest figures from Smith & Nephew where profits of £30m, up by 28.6 per cent, met the market's most optimistic expectations. The column reviews the West German capital goods industry in the light of the bankruptcy of IBH and the losses at GHH, Europe's largest mechanical engineering group. In the UK Meyer brought out its figures showing profits shooting up to £17m from £6.3m. Lex goes on to review how far the group is being reshaped into a less cyclical animal. Finally Lex comments on tax and financial futures.

● comment

Intasun seems to have hit on a rather neat formula. While its main package holiday business battles it out with Thomson and the other majors, other more specialist bits—Greek taverna holidays, Club 18-30, package cheapies from Lancaster—are bolted on, in bits of the market less well supplied with heavy-*weight competition.* Lancaster sold 25,000 holidays this year (its first), and the company is looking for some 60,000 next year; 3,000 ski-ing holidays this year, and maybe 20,000 next; and so on. These peripheral bits *have come from nowhere in* 1981 to 35 per cent of the business this year and, with an expected 1984 growth rate of 20 per cent, against 10 per cent for the main business, could next year account for 45 per *cent. Main market growth, mean*while, is expected from the 10 per cent price cuts which the big companies, Intasun included, are implementing for next year. The cuts are to be financed primarily by the depreciation of the peseta and drachma, both of which are some 20 per cent down against sterling year on year. Full year profits could be £17.5m *pre-tax,* which on a price of 147p (up 1p) puts the shares on a prospective multiple of 5, and a prospective yield of about 5 per cent—surely not expensive.

Midway decline by Bristol Evening Post

Following conversion to tabloid costs at Bristol Evening Post, pre-tax profits moved down from £865,000 to £774,000 for the six months to the end of September 1983. Sales increased from £16.79m to £17.99m.

The *interim* dividend has been held at 4p net. In the last full year a total of 16p was paid from pre-tax profits of £1.85m. Earnings per 25p share for the six months fell from 8.9p to 6.9p.

The profit before tax was after charging a total of £340,000 in respect of costs on conversion of Bristol newspapers to tabloid size and lump sum payments on early retirement scheme for employees.

Benefits from the tabloid change are being seen and the underlying trading position is continuing to improve.

A breakdown of trading profits (£787,000, against £800,000) shows: newspapers publishing *£177,000 (£165,000), retail activi*ties £260,000 (£290,000), features agencies £21,000 (£27,000), transport £20,000 (£15,000), and property rental £309,000 (£303,000).

McCorquodale expands overseas

DESPITE FIERCE competition, second half taxable profits of worldwide specialist printer and printing machinery maker McCorquodale advanced from £3.18m to £3.8m. This brought the total for the year to September 30 1983 to *£7.31m,* which is 18 per cent ahead of the previous £6.2m.

Earnings per 50p share are given as rising by 7 per cent from 26.38p to 28.29p and the year's dividend is being lifted from 9p to 10p net with a final of 6.25p (5.75p).

Mr Alastair McCorquodale, *chairman, says the group's* strategy to build up overseas investments proved its value. Total trading profits of overseas operations, particularly associates, advanced by 63 per cent from £2.3m to over £3.7m.

Trading profits of the UK companies, before redundancy costs of about £600,000, increased by 7 per cent to £6m. These profits were achieved despite nearly £1m research and development expenditure.

Looking ahead he says there are some signs of an improvement in the UK while overseas the picture is still encouraging. The directors are increasing their drive to identify growth opportunities and will continue to set aside the necessary resources. The objective is to build an in*ternational group of business* activities which all have high growth performances.

In the year under review the book and publication printing companies further increased profits. The colour card companies worldwide improved overall and remained solid cash generators. The major packaging and general print companies traded at a profit despite difficult markets. McCorquodale Machine Systems continued to strengthen its position as one of the leading world companies in the development and sale of specialist printing equipment.

Group sales advanced by 10 *per cent to £111.03m (£100.47m)* including associates of £9.06m (£8.26m). Associates contributed £2.46m (£1.26m) to pre-tax profits and there was investment income of £103,000 (£135,000) and interest payable of £1.74m (£1.63m).

Tax took £2.67m (£1.9m) and after minorities of £19,000 (nil) and extraordinary credits of £55,000 (debits £906,000) the attributable profits emerged at £4.68m (£3.4m).

● comment

McCorquodale's 18 per cent increase in pre-tax profits represents a slight slackening in the previous year's growth, so the market knocked the shares down 2p to 278p. The 1982 figures were flattered by loss elimina*tion, but it is unclear to what* extent the group has benefited this time from its two U.S. acquisitions, a cheque printer and a financial publisher. The group will only say that they have more than covered financing costs. Meanwhile, McCorquodale continues to invest heavily in specialist security printing, having spent £10m in this period, bring gearing up five points to 44 per cent of shareholders' funds. The most notable improvement comes from the associates, where pre-tax profits were up 95 per cent; a performance which the group attributes to good local management and a whizzo current accounting system in *high inflation Brazil. The City is* looking for a rather smaller profits increase this time, to £8m pre-tax, which puts the shares on a multiple of 8.6, assuming a 35 per cent tax charge.

Smith & Nephew expands by 28.6%

A RISE of 28.6 per cent in pre-tax profits from £23.4m to £30.08m is reported by Smith & Nephew Associated Companies for the 40 weeks to October 8 1983.

The third quarter contribution was £11.06m, compared with £8.41m in the 1982 comparable *period.*

Sales, excluding inter-company and associate sales, expanded from £212.52m to £243.94m—the group is engaged in the manufacture of medical and health care products, textiles, clothing, toiletries and plastics.

Earnings per 10p share, which have been re-stated to reflect a one-for-eight scrip last May, moved up from 6.15p to 7.54p.

At the operating level profits moved ahead from £24.42m to *£29.27m* from which interest charges took less at £2.97m against £4.54m.

The contribution from associates grew from £3.52m to £3.79m.

Tax came to £10.3m compared with £7.36m and there were minority interests of £15,000 (£16,000).

In the last full year pre-tax profits came to £34.41m (£29.13m) on sales of £272.5m (£251.02m).

See Lex

Minihouse

Minihouse, a Dutch computer systems house, has joined the British over-the-counter market run by Granville via a placing by tender.

Granville offered shares in Minihouse at a minimum price of 250p and placed 30 per cent of the equity, 800,000 shares, at a *striking* price of 275p, capitalising Minihouse at just under £7.5m. The price values the company on a fully-taxed prospective p/e of just over 25 on forecast profits equivalent to £613,000 for 1983.

Nine British institutions took up stock, including Legal and General, Electral and Foreign and Colonial.

Higher equity ratings in London attracted Gouda-based Minihouse in preference to its domestic market. A number of Dutch institutions were invited to subscribe to the issue but none accepted.

Mr Theo Mulder, a Minihouse director, said that it was "a *coming* idea in the Netherlands that foreign markets are better than Amsterdam."

Yearlings rate rises

The interest rate for this week's issue of local authority bonds is 9 15/16 per cent, up three sixteenths of a percentage point from last week and is unchanged on last year's comparable date. The bonds are issued at par and are redeemable on December 14 1984.

A full list of issues will be published in tomorrow's edition.

Leigh Interests

In *pursuance of its divestment* policy Leigh Interests has disposed of Mottershead & Smith, Birmingham, for £200,000 cash. Parent company loans of £350,000 are to be repaid over six years. As a consequence of the sale there has been a reduction in group banks indebtedness of £1.4m.

Better conditions and merger benefits give Meyer £17m halfway

GOOD TRADING conditions, and the benefits from rationalisation following the merger of the constituent groups, have enabled Meyer International to record a profit of £16.92m in the half year ended September 30 1983, compared with £6.35m in the corres*ponding period of 1982.*

The second half is continuing "somewhat similarly" to the first, and is expected to produce "satisfactory results," the directors state. With the benefits of the merger beginning to come through and better trading conditions, the second half of last year produced a profit of some £13.6m.

Turnover of the group, which is interested in forest products, timber and builders' merchants, and manufacturing, and was formed on the merger of Montague L. Meyer and International Timber, advanced from £261.67m to £279.77m. Trading profit moved up from £11.37m to £19.39m, and there were surpluses of £795,000 (£661,000) on the sales of tangible assets.

Another boost to the results was a reduction from £5.69m to £3.48m in net interest payable.

Although activity has remained dull for the construction industry as a whole, the housebuilding sector (together with repair, maintenance and improvement) has been much more active. Timber producers throughout the world have been *increasing prices to restore pro*fitability, resulting in rising import prices in the UK.

In those circumstances the group has been able to improve its trading margins. Manufacturing units have operated nearer to capacity.

The contribution from overseas companies has been better. Good results came from North America but, as a whole, returns in both Netherlands and Australia are still below acceptable levels because of difficult trading conditions.

The holding in Hallam Group of Nottingham was sold, as was the D-I-Y business of Dicken in the North East which was an *exception to the mainstream* activities. Since the end of the half year, the holding in Brownlee has also been sold.

After tax £6.69m (£1.95m) and a net extraordinary credit of £167,000, the attributable profit comes out at £10.4m (£4.4m) for earnings of 10.6p (4.6p) per share. The interim dividend is raised to 1.65p net (1.5p)—the final last year was 2.25p.

Mr R. E. Groves, the chairman, would normally have expected to retire in 1985, but the directors have asked him to continue for another year until mid-1986.

Further appointments have been made to the board. Mr J. M. Dobby and Mr R. W. Jewson have been appointed additional directors from within the group, and Mr W. R. Doughty, managing director of Cape Industries, has become a non-executive director.

See Lex

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Amalgamated Financial Investments, Bisichi Tin, H. P. Bulmer, Centreway Industries, Centreway Trust, Downs Surgical, Jacksons Bourne End, *London and Associated Investment* Trust, Moorgate Investment Trust, Routledge and Kegan Paul, Scottish and Newcastle Breweries, Smith Whitworth, Thermal Scientific, Thorpac.

Finals: Irish Distillers, Northern Foods, North Midland Construction, Nottingham Brick, Redfearn National Glass, Spencer Clark Metal Industries, Stainless Metalcraft, Westland.

FUTURE DATES

Interims—	
Alliance Investment	Dec 20
Bromsgrove Casting and Machining	Dec 22
Kennedy Smale	Dec 16
Mansfield Brewery	Dec 16
Petbow	Dec 21
Finals—	
Burco Dean	Dec 15
Carlton Communications	Dec 20
Cifer	Dec 20
Daily Mail and General Trust	Jan 12
North British Steel	Dec 21
Reliable Properties	Dec 15
Warner Estate	Jan 25

Property Holding growth

FURTHER PROGRESS was achieved by Property Holding and Investment Trust during the six months ended September 30 and the company is lifting its net interim dividend by 0.14p to 1.62p and expects to recommend dividends totalling 4.4p, compared with 4p, for the full year.

At the pre-tax level profits for the opening half rose from *£2.04m to £2.42m. Net income* from properties amounted to £2.85m (£2.32m) and other income added £513,000, against £758,000 previously. Deductions included administration expenses of £223,000 (£219,000) and interest of £726,000 (£825,000).

Earnings on a fully diluted basis emerged at 3.18p (2.75p) per 25p share after tax of £1.18m (£1.02m).

Realised capital surpluses, *after tax, transferred to capital* reserve totalled £391,000 (£1.15m).

Certain shop properties, which were considered to have below-average potential for investment growth, have been sold for £4m. The proceeds were substantially in excess of the March 1983 valuation, and virtually covered capital gains tax on the sale.

Hill Thomson

For the *six months* ended July 31, 1983 Hill, Thomson & Co returned pre-tax profits of £473,000, compared with £784,000, from turnover of £5.55m, against £7.12m.

Earnings *emerged* at 10.24p (13.23p) after tax of £4,000 (£178,000). The group, ultimately owned by The Seagram Co. of Canada, blends, bottles and sells Scotch whisky.

NSS over £5.5m for year and pays more

FOR THE year ended October 2 1983 profits of NSS Newsagents rose from £5.25m to £5.57m, and the dividend on capital increased by the February rights issue is 3p net, the minimum forecast. In the previous year the total was 2.75p.

The profit includes £139,000 (£212,000) surplus on sale of assets, and is after deducting £85,000 (£65,000) additional depreciation on shop adaptations as that part of the former retail outlet account representing expenditure on shop adaptations is now being written off over its useful life.

Turnover rose from £139.52m to £145.58m. Tax takes £2m (£2.2m) which leaves the net profit at £3.57m (£3.06m), equal to 11.3p (10.8p) basic and to 10.2p (9.7p) diluted per share. Cost of the dividend is £954,000 (£704,000), the final being 1.9p (1.75p).

● comment

The NSS results are a touch below market hopes, but they still compare well — as usual — with the figures from rival newsagent Martin two days ago. Some of the upturn is due to the acquisition of new stores in the second half — not quite as many as the 14 bought in the first half, apparently, but not far off. And despite the present NGA dispute, which is unsettling CTN shares, the year past was quite unusually free from disruption of newspaper supplies. The one big disappointment is that the letting of spare space in the new headquarters, which NSS had hoped to complete by now, is scarcely started. Trading in the current year so far is unexciting, but bar*ring NGA disasters — and not* allowing for any benefit on completion of letting — last year's rate of profit increase looks sustainable. On a forecast pre-tax of around £6m, the multiple is just under eight; the historic yield is 5 per cent. The shares are not ambitiously rated.

A-R Television

Profits before tax of A-R Television, a member of the BET Group, improved from £1m to £1.07m over the half year to September 30 1983, and incorporated a £287,342 share of losses of the Thames Television associate, compared with £783,842 previously. Interest receivable was £434,276 lower at £1.36m.

It is anticipated that the share of profits from Thames Television for the full year will be higher than the surplus achieved in 1982-83.

Tax for the half year accounted for £880,666, against £658,050, to leave available profits £45,904 ahead at £391,948.

The group is holding its interim dividend at 5p on the non-voting A shares.

The reduction in interest receivable stems from interest rates running at a lower level during the period.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Assoc. Paper	†3	Feb 10	2.8	†4.2	3.8
Beechwood Group ...int.	nil	—	0.45*	—	1.36*
Bristol Eve. Post ...int.	4	—	4	—	16
Burns-Anderson	1.5	*Feb. 10*	1.4	2.2	2
Chapman Inds. ...int.	2.2	—	2	—	7.5
G. M. Firth ...int.	0.15	—	0.14*	—	0.3*
IC Gas ...int.	4§	Feb. 13	3	—	10.6
Intasun ...int.	1.8	Jan. 31	1.4	—	4
Meyer Intl. ...int.	1.65	Jan. 31	1.5	—	3.75
McCorquodale	6.25	—	5.75	10	9
NSS Newsagents	*1.9*	*Feb. 16*	*1.75*	3†	2.75*
Plaxtons (GB)	6	—	5.5	9	8.5
Property Holding ...int.	1.62	—	1.48	—¶	4
RFD Group ...int.	0.92	March 2	0.84	—	3.08
Triplex ...int.	nil	—	nil	—	0.5
Unilock ...int.	0.43	—	0.33	—	0.7
Wight Collins ...int.	1.25‡	—	—	—	2.75

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § To reduce disparity with final. ¶ Total 4.4p forecast.

Booker agrees £13m for Bishop's

By Ray Maughan

Booker McConnell has finally emerged as the bidder for Bishop's Group, the food retailer and wholesaler, with an agreed shut-out deal worth just under £13m in cash.

Talks have been taking place since mid-summer, between Bishop's and several other food industry interests until Booker, the agriculture, shipping, publishing and Budgen food retailing group eventually put up acceptable terms.

Booker is offering 291p in cash for each Bishop's voting share, unchanged yesterday at 280p, and 221p for each "A" non-voting share which represents a premium of 11p to the closing price yesterday after a fall of 30p. Irrevocable undertakings to accept the offer have been received from holders of 61 per cent of the voting shares and 51 per cent of the "A" ordinary capital.

Strategic institutional shareholdings, notably those controlled by Courtaulds Pension Fund, with 20 and 40 per cent respectively of the voting and non-voting equity, are understood to have accepted Booker's approach in the light of Bishop's recent losses.

Its 60 retail food stores made money in the year to February, 1983 but the effect of the group's wholesaling losses and major, unallocated, computer expenses produced an overall trading loss of £106,000 before an exceptional £270,000 debit.

Its net assets, however, were shown at 331p per share at the year end, or £17.4m, including unlisted investments at cost of £25,000.

Booker expects that its food distribution division will have turned over more than £750m in 1983, through its 105 Budgen supermarkets and shops, the Mace and Wavy Line suppliers and the BBW cash and carry outlets. Bishop's is expected to complement and increase Budgen's operations since—although they do not compete in any location—their geographical trading area, size and trading policy are said to be similar.

The bider is putting up an alternative to its cash terms in the form of 9½ per cent loan notes 1989. Hill Samuel has advised Bishop's and S. G. Warburg acts for Booker McConnell.

* * *

The recommended cash offer by Astonford for Firmin and Sons has become unconditional in all respects. Acceptances have been received in respect of 2,558,587 shares, representing 98.34 per cent of the existing issued share capital. The offer remains open until further notice.

Inchcape £36m deal with RIT & Northern associate

BY DAVID DODWELL

Inchcape, the international trading and services group, has agreed to pay £36.3m for the trading activities division of the Transcontinental Services Group, a 30 per cent-owned associate of Mr Jacob Rothschild's RIT & Northern.

RIT & Northern formed Transcontinental just over a year ago when it merged its investment associate Jacob Rothschild International Investments with Esperanza, an international services group.

Transcontinental will retain its financial services division. Cash balances of about £20m will be added to the £36.3m paid by Inchcape to fund acquisitions, perhaps in the U.S.

The trading services division purchased by Inchcape is made up of four main operating companies — Caleb Brett, an international cargo inspection and testing operation, Graham Miller and Matthews-Daniel, which act as loss-adjuster worldwide, and Gellatly Hankey, a shipping agency.

In the year to March 31 1983, these companies earned pre-tax profits of £4.3m on a turnover of £70.4m.

Mr Peter Foxon, managing director of Inchcape, said yesterday that his company had been attracted to make an offer because of the highly specialised nature of the companies' work, the high reputation they had, and the geographical overlap they had overseas with Inchcape's own operations.

The purchase has been funded in part by a series of disposals made by Inchcape over the past year—amounting to around £30m—and is aimed at helping to turn the company round from four successive years of falling earnings.

This turnaround has been signalled in the first six months of the current trading year, with pre-tax profits to June 30 up by £160,000 to £24.51m, with turnover marginally higher at £839.6m.

Mr Foxon said Inchcape intended to run the companies as separate entities, maintaining the present structure and management. They would be introduced to new areas of operation by Inchcape, both geographically, and in business terms, he said.

Mr Francois Mayer, chairman of Transcontinental, said yesterday that RIT had had no intention of selling these businesses, but had simply received an offer that was too good to refuse.

He said that Transcontinental would aim to invest the £56m cash now in hand in the U.S., probably in financial services, and in businesses involved in managing and syndicating real estate.

● RIT and Northern revealed yesterday that Mr Richard Thornton, until early last month director of investment at GT Management, had joined the group with responsibilities for international investment, particularly in the Far East.

See Men and Matters

New U.S. offshoot for Ansbacher

Henry Ansbacher Holdings, the merchant bank, has established a U.S. subsidiary to incorporate its existing U.S. business. This is currently undertaken by the New York representative office of its Bermuda-based Henry Ansbacher Americas which was set up in May this year and has been largely involved in shipping finance.

The new U.S. company, Henry Ansbacher Holdings Incorporated (HAI), which will start operations on January 1, will be a fully-owned subsidiary of the UK parent company. It will concentrate on mergers and acquisitions, specialising, initially, on media-related business, including publishing, communications and high technology industries.

The core of the U.S. operations will be database which Henry Ansbacher has acquired from the Thadema Foundation, a so-called "charitable foundation" registered in Liechtenstein.

The UK bank has already paid £1.5m towards the purchase price of database, half in cash and the remainder in its own shares—the rest will be paid on deferred terms. This will comprise £1m to be paid in two equal instalments on June 30 1985 and June 30 1986 in shares with an option for half to be paid in cash, with the outstanding amount to be based on profits of the new company over three years to March 31 1987.

HAI will be headed by Mr Christopher Shaw as managing director, backed by a team of 10 who currently operate a consultancy business, based on the media-related database, and recently consultants to Bankers Trust. Mr Shaw has been taken on by Henry Ansbacher on a five-year contract.

Mr Lindsay Smith, a director of the UK company, said yesterday that although HAI's initial strength would be in the media related field the aim was to expand into more general mergers and acquisition business and ultimately to develop a broad corporate finance operation in the U.S.

Allianz syndicated euro credit

Allianz Versicherung, West Germany's largest insurer, was yesterday making its final plans for a takeover bid for Eagle Star Holdings, the British insurance group, which will be worth more than the £913m offered by BAT Industries.

Allianz is understood to be planning a substantial syndicated euro credit.

At the start of trading on the London stockmarket Allianz, at the insistence of the Panel on Takeovers and Mergers, will clarify the terms of an offer which it said it would make when it indicated its plans at the beginning of last week.

Shares of Eagle Star rose 18p to 715p, which places a value on that company of £989m.

Allianz said at the beginning of last week that it would be making a higher bid than the 660p per share offer made by BAT and recommended by the Eagle Star board. At the time it did not indicate the size of the offer.

In the stock market there was speculation that Allianz was selling its 29.9 per cent shareholding in Eagle Star to an American insurance group at around £8 a share, while other speculation suggested that Allianz had bought a block of shares at £8 a share.

Allianz's offer for Eagle Star was first made in October this year when its original bid was 500p per share. After BAT launched a 575p per share offer in November, Allianz increased its offer to 650p per share which was again topped by BAT, which offered 660p per share.

Coachbuilding behind 166% profit advance at Plaxtons (GB)

A 166 per cent advance in full year pre-tax profits from £1.1m to £2.92m was achieved by Plaxtons (GB), coachbody builders.

Most of the increase was attributable to the largest activity coachbuilding, and was despite a near 50 per cent fall in interest receivable from £714,000 to £362,000. At the trading level profits for the year to October 2 1983 emerged ahead at £2.56m against £383,000 on turnover of £32.6m compared with £24.86m.

Coach volumes increased by 11 per cent and were accompanied by demand for higher unit specifications. Another useful contribution was made by the building and shopfitting division, and Wilfrid Overton, vehicle fitments subsidiary, turned in a much improved result. Reeve Burgess, manufacturters of cab conversions and small passenger vehicles, returned to profit in the second half year, a considerable turnround on the high losses incurred in the previous two years.

A divisional breakdown of turnover and profits shows; luxury coach, bus body building and luxury coach service and special products £26.96m (£19.75m) and £2.2m (£238,000); building and shopfitting £2.7m (£2.35m) and £183,000 (£275,000); vehicle fitments manufacture and supply (Overton) £1.54m (£1.44m) and £147,000 (£46,000); cab conversions and small passenger vehicles (Burgess) £2.17m (£1.76m) and £8,000 (loss £176,000).

Certain major properties of the group were revalued during the year, resulting in an increase in tangible fixed assets of £646,000.

Taxation for the year amounted to £1.29m compared with £0.3m last year, resulting in an increase in post-tax profits from £783,000 to £1.63m.

The directors are recommending a final dividend of 6p net per share which lifts the total payout to 9p against the maintained 8.5p net per share paid in the previous two depressed years. A one-for-one scrip issued is also proposed.

Activity in the coachbuilding division in the first few months of the current year has been assisted by an early receipt of orders from major customers in the public sector and has enabled a more balanced production programme to be scheduled. However, there is some reluctance to commit by the private sector. A reasonable start has also been made in other activities and the directors believe that a successful outcome to the current year will be achieved.

Further progress has been made in the detailed planning of the proposed consolidation of coachbuilding operations at the Eastfield site and towards the building and equipping of an engineering shop.

Strong midterm headway made by Wight Collins

In the six months to October 31, 1983 Wight Collins Rutherford Scott (Holdings), an advertising agency with shares dealt on the USM, turned round from a pre-tax loss of £121,000 to a profit of £204,000 and an interim dividend of 1.25p net is declared.

Last year a single payment of 2.75p was made when profits totalled £636,000.

First half turnover rose from £6.69m to £9.61m, while the tax charge on profits was £102,000 (nil) for earnings of 3.2p per 10p share.

The directors say results are in line with expectations. In particular, the arrival of accounts such as Carling Black Label and Johnson Wax have helped to reduce the seasonal nature of the business.

The agency continued to make significant new business gains, with eight appointments in the last six months.

Two of these gains, Household Product Development from Johnson Wax and the Atco division from Qualcast, represent further business from existing clients, the directors add.

Trusthouse Forte

Trusthouse Forte has proposed that the following listed debenture stocks of its wholly-owned subsidiary, Forte Holdings, should be repaid early: 6.1 per cent debenture stock 1983-88 £97.50 per £100 nominal; 7.7 per cent debenture stock 1985-90 £95.00 per £100 nominal; 4.8 per cent debenture stock 1988-93 £95.00 per £100 nominal. Subject to passing the necessary extra-ordinary resolutions, repayment is expected to be effected in February 1984.

Pahang given an increase in its tin export quota

BY KENNETH MARSTON, MINING EDITOR

THE Malaysian Government has provided some relief to the loss-making Pahang Consolidated by increasing its tin mine export quota from the present 56 tonnes to 85 tonnes a month, reports Wong Sulong from Kuala Lumpur.

Export quotas, imposed by the International Tin Council in its efforts to reduce the big surplus of tin overhanging the market, are allotted to the various producing countries. The latter, however, have some flexibility in the distribution of individual mine quotas.

Datuk Paul Leong, Minister of Primary Industries, who authorised the increase said that the new quota would apply for this month and the first quarter of next year "and thereafter would be subject to review."

He said that Pahang was a special case because it was the only underground lode tin mine in Malaysia—all other tin operations there are dredging, hydraulicing or open-pit—and thus offered unique training facilities to engineers and technicians and research facilities to university staff.

The mine suffers the disadvantage of being a high cost producer and, as an underground operation, much of its running costs remain the same when production is reduced, unlike a multi-dredge operation which can simply take a dredge out of action.

Furthermore, Pahang is the main employer at Sungei Lembing in Central Pahang State and its closure would be a blow to the 15,000 population there. It is expected to continue making a loss with the increased export quota but this should help it survive.

The company is the first in Malaysia to have an appeal for an increased quota granted by the minister who is known to have rejected requests from mines which have strong royal or government connections.

Meanwhile, latest monthly tin concentrate output figures are announced by the Far Eastern producers in the Malaysia Mining Corporation group.

The November production of the big MMC is well up on that of October but it still leaves the total for the first 10 months of 1983 at 4,829 tonnes against 6,185 tonnes in the same period of last year.

Similarly, Berjuntai's output for the first seven months of its financial year comes out at 1,227 tonnes against 1,501 tonnes while that of Sungei Besi amounts to 331 tonnes against 547 tonnes. Aokam has a five-month total of 446 tonnes against 465 tonnes.

On the other hand, Tronoh has raised production for the first 11 months of the year to 668 tonnes compared with 465 tonnes in 1982. Ayer Hitam's five-month output amounts to 537 tonnes against 531 tonnes and that of Tongkah Harbour is 200 tonnes against 143 tonnes.

The latest monthly output figures are compared in the following table.

	Nov tonnes	Oct tonnes	Sept tonnes
Aokam	66	65	110
Ayer Tiram	83	106	120
Berjuntai	194	178	161
MMC	508	490	456
Sungei Besi	40	39	34
Tongkah Harb.	64	38	25
Tronoh	31	53	57

Interim payments from the Gold Fields mines

INTERIM dividends declared by the South African gold producers in the Consolidated Gold Fields group generally match the share-market's expectations. Most of the payments are unchanged. Of the exceptions, Venterspost is reducing its interim to 40 cents (23p) from 60 cents a year ago.

After having declared a single dividend of 10 cents in June for the year running to the end of that month, Deelkraal is again making no December declaration.

It may be remembered that in the annual report in August the chairman said that the dividend outlook was one of maintained payments provided that the gold price did not fall significantly below R15,000 per kilogramme.

As already reported, Vlakfontein is declaring a capital repayment of 20 cents in lieu of a dividend. The latest payments are compared in the following table.

	Dec 1983 cents	June 1983 cents	Dec 1982 cents	June 1982 cents
Deelkraal	—	10	—	—
Doornfontein	*80	120	*80	120
Driefontein	*105	180	*105	135
Kloof	*130	200	*130	150
Libanon	*110	190	*110	140
Venterspost	*40	120	*60	55
Vlakfontein	†20	30	*15	20

*Interim. †Capital repayment.

Property merger terms

THE MERGER of three property companies will be effected by Slough Estates offering to acquire the entire capital of Allnatt London Properties and the 60.7 per cent of ordinary capital not already owned by Allnatt in Guildhall Property Company.

Holders of 100 shares in Allnatt are offered 185 ordinary shares of Slough, while holders of 1,000 shares in Guildhall are offered 1,225 ordinary shares of Slough or £1,245 nominal 8 per cent convertible unsecured loan stock 1991-94.

As an alternative holders can elect to receive 12¾ per cent unsecured loan stock 2009 of Slough—£245 stock for every 100 Allnatt shares and £162 stock for every 100 Guildhall. In lieu of part or all the loan stock entitlements Allnatt holders will be entitled to 245p cash per share and Guildhall holders to 162p cash per share.

The cash alternatives will only remain open for acceptance until the first closing date of the offers. It will be provided by Charterhouse Japhet.

* * *

STC Components is acquiring the capacitor operations of Union Carbide UK, manufacturer of tantalum and ceramic capacitors, based in Aycliffe, County Durham, and the Standard Electrik Lorenz tantalum capacitors factory in Nurnberg. Both acquisitions are expected to be completed shortly.

* * *

Robert Glew and Co., a Bradford knitting yarn manufacturer, has agreed to acquire the business of Tivoli Spinners, a subsidary of Youghal Carpets, with effect from January 1 1984.

As a separate company within the Robert Glew group, Tivoli Spinners will continue to manufacture and distribute from Cork. Robert Glew expects to employ a total workforce close to the current level.

* * *

Standard Securities has purchased for £1.44m the freehold interest in Construction House, Wolverhampton. It is the headquarters of Tarmac Construction which occupies under the terms of a lease expiring in March 2002.

Standard considers that the present rent of £115,000 annually is "well below" current market level, and that there will be a considerable uplift in the income at the rent review in March 1986.

* * *

Stakis has agreed with Bass for the purchase of its interest in the Great Tree Tops Hotel, Aberdeen.

It is anticipated that Stakis will take over following the January licensing board meeting in Aberdeen, subject to landlord's approval and the usual legal requirements.

* * *

Mayfair Group, a subsidiary of Gallaher, and Four Square have jointly announced their agreement for the transfer of Four Square's Vendepac vending service business to Mayfair.

Vendepac, with 11 depots nationally, is one of the largest vending operations in the UK.

This acquisition is seen by the Mayfair Group cigarette vendors as a further development of its expansion into all areas of consumer vending.

Four Square recently announced plans to concentrate efforts on developing branded products for the vending industry at home and abroad.

69 companies wound-up

COMPULSORY winding up orders against 69 companies were made in the High Court. They were:

Cravenstone Trading Company, Maxshourne, Savita, Albela, Hibbing, J. Lovett (Produce), Mitrehurst, and H. B. Partners (Engineers).

Shannon's of Chesham, K Construction (London), Join-In International (UK), O'Toole Brothers (Builders), Roman Construction, K. R. Way and Co. (Home), Intercobra, and Vincello.

Harefield Motors, Norton Warehousing, T and C (Autos and Plant), North West Flooring Contractors, E. Kay (Building Contractor), and Fisher (Coal and Haulage).

W. Barritt and Sons (Blackburn), Kenfine Design and Sales, Kirby Home Care, Donahume, D and B Commercial Repairs, Chabrita, J. H. Associates and Nelstar Fashions.

Nova CPH, Oxford Business Intelligence, Tower Woodstoves, Hyndburn Structural Timber, Philon Fashions, South Coast Computer Services, R.J.H. Electronics, Reardon Contractors, P.M.A. Contract Furniture, J and D Builders.

Walcross (Motors and Accessories), Bexley Roofing Company, D. R. Llewellyn and Associates, C. S. Creative Selection, Wortherford Enterprises, Firstwo, Lubetec (UK), and P. S. Doran and Son.

Food Merchants, M and D Waste Paper, A and A Fleet Maintenance, Richards Fridey, Intercomex Management Corporation, Magread, Lakeside Transport (Colnbrook), and Ambaville.

Walker Bolton, John Woodhead, Everfam, Monnow Windows, Bowgale Styles, Century Scaffolding, Brierley Hill Shearing, Basingdown, and Heedlime.

A compulsory winding up order made on December 5 against Canberra Services was rescinded and the petition dismissed by consent.

A similar order made on November 21 against Shartran European Haulage was rescinded and the petition adjourned for seven days.

LEGAL NOTICE

IN THE MATTER OF
BANQUE COMMERCIALE
(CAYMAN) LIMITED
(in liquidation)
AND IN THE MATTER OF
THE COMPANIES LAW CAP. 22

NOTICE IS HEREBY GIVEN that by an Order of the Grand Court of the Cayman Islands dated 21st November, 1983 the voluntary winding-up of the above-named Company was made subject to the supervision of that Honourable Court and that the creditors of the above-named Company are required on or before 31st January, 1984 to send their names and addresses and the particulars of their debts or claims and the names and addresses of their solicitors (if any) to the undersigned Richard Graham-Taylor and G. James Cleaver of Messrs. Arthur Young and Company, P.O. Box 460, Grand Cayman, British West Indies, the joint liquidators of the above-named Company and if so required by notice in writing from the said joint liquidators are by their solicitors or personally to come in and prove the said debts and claims at such time and place as shall be specified in such notice or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 28th day of November, 1983.

RICHARD GRAHAM-TAYLOR,
G. JAMES CLEAVER,
Joint Liquidators.

COMPANY NOTICES

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRS) IN

MAKITA ELECTRIC WORKS, LTD.

EDR holders are informed that Makita Electric Works has paid a dividend to holders of record August 20, 1983. The cash dividend payable is Yen 9 per Common Stock of Yen 50.00 par share. Pursuant to Clause 8 of the Deposit Agreement the Depositary has converted the net proceeds, after deduction of Japanese withholding taxes, into United States Dollars.

EDR holders may now present Coupon No. 5 for payment to the undermentioned agents.

Payment of the dividend with a 15% withholding tax is subject to receipt by the Depositary or the Agent of a valid affidavit of residence in a country having a tax treaty or agreement with Japan giving the benefit of the reduced withholding rate. Countries currently having such arrangements are as follows:

A. R. of Egypt, F.R. of Germany, The Netherlands, Spain, Australia, Finland, New Zealand, Sweden, Belgium, France, Norway, Switzerland, Brazil, Hungary, Rep of Korea, United Kingdom, Canada, Ireland, Romania, U.S. of America, Czechoslovakia, Italy, Singapore, Zambia, Denmark, Malaysia

Failing receipt of a valid affidavit Japanese withholding tax will be deducted at the rate of 20% on the gross dividend payable. The full rate of 20% will also be applied to any dividends unclaimed after March 20, 1984.

Amounts payable in respect of current dividends.

Coupon No. 5 EDR denomination	Gross Dividend	Dividend payable less 15% Japanese withholding tax	Dividend payable less 20% Japanese withholding tax
10,000 shares	$362.57	$325.78	$306.08
1,000 shares	$36.25	$32.57	$30.60

Depositary: Citibank, N.A., 336 Strand, London WC2R 1HB

Agent: Citibank (Luxembourg) S.A., 16 Avenue Marie Therese

December 14, 1983.

GOLD FIELDS GROUP

DECLARATION OF DIVIDENDS AND CAPITAL REPAYMENT

The following interim dividends/capital repayment have been declared in South African currency, payable to members registered in the books of the companies concerned at the close of business on 30 December 1983:

Name of Company (All companies are incorporated in the Republic of South Africa)	Dividend/Capital Repayment No.	Amount per share cents
Doornfontein Gold Mining Company Limited	54	80
Driefontein Consolidated Limited	21	105
Kloof Gold Mining Company Limited	28	130
Libanon Gold Mining Company Limited	86	110
Venterspost Gold Mining Company Limited	67	40
*Vlakfontein Gold Mining Company Limited	4	20

*Capital repayment in lieu of dividend.

Warrants will be posted on or about 7 February 1984.

Standard conditions relating to the payment of dividends and conditions relating to the capital repayment are obtainable at the share transfer offices and the London office of the companies.

Requests for payment of the dividends or the repayment of capital in South African currency by members on the United Kingdom registers must be received by the companies concerned on or before 30 December 1983 in accordance with the abovementioned conditions.

The registers of members of the above companies will be closed from 31 December 1983 to 6 January 1984, inclusive.

By order of the boards
per pro CONSOLIDATED GOLD FIELDS PLC
London Secretaries
P. F. G. Roe, Secretary

United Kingdom Registrar:
Hill Samuel Registrars Limited
6 Greencoat Place
London SW1P 1PL

London Office:
49 Moorgate
London EC2R 6BQ

13 December 1983

Companies and Markets

UK COMPANY NEWS

RFD £0.2m fall but interim up

THE OUTLOOK for the year ending March 31 1984 remains one of lower profits for RFD Group, says the chairman, Mr A. G. Macpherson, as he reports a reduction over the first half. But the interim dividend is being raised from 0.84p to 0.924p.

Mr Macpherson explains that the board believes the dividend policy should reflect underlying longer-term trends as well as year-to-year profit fluctuations. "The early success of our investment programme justifies a 10 per cent increase," he says.

Shareholders had been warned of the probability of somewhat lower profits, but the extent of the first half fall—from £776,000 to £568,000—is greater than the board expected, *the chairman* reveals. The main reason was a weakness in the cable components division which has suffered from the particularly *low level of activity in the power* cable industry.

There have been some encouraging results from the longer-term investment programme. In textiles the modern shuttle-less looms are proving successful and are contributing to that side's good profit recovery. A first order, worth some £3m, has been received for the new Air Defence Tactical Training Theatre; three systems are to be used in training with Rapier missiles. "The early achievement of this order is an important indication of the potential of the group's military business," Mr Macpherson points out.

Turnover for the half year rose by £1.86m to £17.58m. After tax £108,000 (£193,000) and minorities £23,000 (£16,000), the net *attributable profit* was £437,000 (£567,000). Earnings are shown at 3.19p (4.15p) per share. For the year ended 1982-83 the profit before tax *came to £2.04m and the dividend* was 3.08p.

G. M. Firth profit rise continuing in second half

FIRST HALF profits at G. M. Firth (Holdings) expanded from £144,000 to £279,000 and second half profits to date show a considerable increase, says Mr I. H. Wasserman, chairman, and major shareholder, in his interim statement.

During the opening period to September 30 1983 all the group's subsidiaries traded and have continued to trade profitably. A significant contribution to profits has been made by the Rowan and Boden group, which was acquired last February, and further growth is expected, he says.

Group turnover for the six months was £10.41m and compares with £2.49m for the corresponding period, and £7.05m for the year to March 31. The taxable result was *struck after associated company* losses of £22,000 — last year's pre-tax profit totalled £297,000.

The interim dividend is, following a 10-for-one scrip issue, effectively raised from 0.1364p to 0.15p despite the board's intention to build up a considerable dividend cover. Earnings per 10p share are stated at 0.74p (0.34p), after tax of £36,000 (£68,000).

The chairman says profits of the steel-stockholding subsidiary Clarkes of Stillington, have been leaner than in recent years. However, the benefits of acquiring the business of Gardner Steel are beginning to show and the company's wider *customer* base and greater market penetration should result in a better trading performance in the second half year.

Gardner Steel's depot at Darlington has been closed and the business transferred to Stillington, with a consequent saving in overheads.

The company has finally disposed of all of its industrial properties in the Bradford area and its property interests are now wholly concentrated on the south coast.

Triplex back in black at midterm

Triplex Foundries Group returned to the black in the six months to September 30 1983 halting three years of losses with a pre-tax profit of £354,000.

This compares with deficit of £781,000 for the corresponding period and £982,000 for the last full year.

First half turnover fell from £15.42m to £13.69m but the operating outcome turned round from losses of £52,000 to profits of £893,000.

A divisional analysis of these and external sales shows (£000s omitted): foundries £136 (£563 loss) on £5,012 (£7,133); engineering £145 (£217) on £3,350 (£3,385) and building components £612 (£294) on £5,325 (£4,904).

There was no exceptional debit *this time, compared* with £148,000 last, and the pre-tax result was after interest of £343,000 (£436,000) and group costs of £216,000 (£145,000).

With no tax, earnings per 25p share amounted to 4p (9.5p loss) but the interim dividend has again been passed. Last year a reduced final of 0.5p (1p) net was paid.

The directors state that borrowings, though still too high, are under control and within the programme agreed with the group's clearing bankers.

Foundries are a decreasing proportion of the group's business, they say, reporting that the *market continues to be difficult*, especially for iron castings, but collectively the group's foundries are operating close to budget.

As regards the engineering division, they say experience has been variable, as are conditions in their several specialist markets. However, within the building components business, sales are good and the two subsidiaries are ahead of target.

They report that the company is undergoing considerable *changes and these continue*. A finance director has been appointed, certain management changes have been made and there will be more.

Beechwood into halftime loss

A SETBACK in civil engineering has helped push the **Beechwood Group** into a loss of £682,457 for the *half* year ended September 30 1983, and the directors have decided to pass the interim dividend. The mechanical engineering side showed little change in its position.

In the coresponding period of the previous year the group made a profit of £101,879 and this had risen to £401,270 by the year-end. The interim dividend was 0.45p and the total 1.36p net after adjustment for a 10 per cent scrip issue.

Mr J. C. Downing, chairman, explains that delays and difficulties in obtaining payment for completed contracts, and unforeseen problems encountered *at certain sites, led to a trading* los of £229,604 (profit £455,560) by the civil engineering division. Three contracts are involving much greater work and cost than were expected. Substantial claims are being prepared for early submission, though it will take *some time to obtain settlement.*

The well-drilling and pump services division, which made a trading profit of £20,808 (£51,854), suffered from a shortage of work in the latter part of the second half.

Despite every effort to restore it to profitability the mechanical engineering side incurred a trading loss of £238,678 (£220,763). Mr Downing says the market was "desperately difficult" and further deteriorated in late summer. Action had to be taken, and at the end of September Grainger Hydraulics was closed and next month the general fabrication side of *Spencer Harris* will cease production.

"These drastic but inevitable *steps*" will put an end to the heavy operating losses in that division and will reduce the group's interest burden, the chairman states.

Looking at the prospects, Mr Downing says the objective is for all parts of the group to be trading profitably by the end of the second half. Top management has been strengthened and firm policies of rationalisation and stringent cost reductions are being applied. He is hopeful that the group's recent recovery will be resumed and the present setback will be temporary.

Turnover in the half year came to £6.28m (£6.99m) and was split as to: civil engineering £4.44m (£4.81m); mechanical engineering £962,501 (£1.4m); well-drilling £876,432 (£785,779). Interest payable rose to £234,983 (£184,772). Closure costs and related expenditure of £500,000 have been charged as extraordinary items. Loss per share was 10.1p (earnings 1.3p).

Sturla £31,000 profit midterm

For the six months ended October 31 1983 **Sturla Holdings**, provider of business finance, returned profits of £31,000 at the pre-tax level from turnover of *£7.56m*—no comparisons are given.

Mr David Britton, the chairman, says the results were achieved with very limited resources following depletion of the group's capital base.

He adds that they also reflect a substantial reduction in group overheads and stresses the need for new sources of funding if the group is to be able to *maintain this "encouraging* return to profitability."

The profits were struck after deducting depreciation of £1.28m, interest of £699,000, legal and professional fees of £88,000, commissions paid of £282,000 and overheads of £178,000.

Burns-Anderson holds margins improvement

THE INCREASE in margins achieved by **Burns-Anderson** at midway has been maintained, and for the year ended September 30 1983 the group's profits have risen from £337,545 to £561,480.

Group interests cover the supply of steel reinforcement, motor vehicle distribution, shopfitting, property investment and development. Its turnover moved ahead from £25.42m to £30.05m.

Mr I. L. Black, chairman, says the outcome for the year demonstrates that the company's recovery, which began in 1982, has continued. All divisions contributed to profit, which has been attained without any real general improvement in trading conditions. It is the culmination of actions taken to reduce the operating costs and improve the services offered.

After tax £119,619 (£66,717) the net profit came out at £441,861 (£270,828), equal to 3.6p (2.4p) per share. There is an extraordinary credit of £4,261 (debit £456,413). The final dividend is 1.5p to lift the total from 2p to 2.2p net per share.

BANQUE NATIONALE DE PARIS

Floating rate note issue of USD 225 million June 1981/96

The rate of interest applicable for the period beginning 13th December 83 and set by the Reference Agent is 10½% annually.

NOTICE TO THE HOLDERS OF

YAMANOUCHI PHARMACEUTICAL CO., LTD.
(Yamanouchi Seiyaku Kabushiki Kaisha)

4 PER CENT. CONVERTIBLE BONDS DUE 1990

Pursuant to Clause 7(B) and (C) of the Trust Deed dated 6th October, 1983 under which the above-mentioned bonds were issued, notice is hereby given as follows:

1. On November 25, 1983, the Board of Directors of the Company resolved to make a free distribution of shares of its common stock to shareholders of record as of December 31, 1983 in Japan, at the rate of 0.15 new share for each share held.

2. Accordingly, the conversion price at which the above-mentioned bonds may be converted into shares of Common Stock of the Company will be adjusted effective as of January 1, 1984, Japan time. The conversion price in effect prior to such adjustment is Yen 1,808 per share of Common Stock, and the adjusted conversion price will be Yen 1,572.20 per share of Common Stock.

YAMANOUCHI PHARMACEUTICAL CO., LTD.
By: The Sumitomo Bank, Limited
as Principal Paying Agent
Dated: December 14, 1983

BASE LENDING RATES

A.B.N. Bank	9 %	Heritable & Gen. Trust	9 %
Allied Irish Bank	9 %	■ Hill Samuel §	9 %
Amro Bank	9 %	C. Hoare & Co. †	9 %
Henry Ansbacher	9 %	Hongkong & Shanghai	9 %
Arbuthnot Latham	9 %	Kingsnorth Trust Ltd.	10 %
Armco Trust Ltd.	9 %	Knowsley & Co. Ltd.	9½%
Associates Cap. Corp.	9½%	Lloyds Bank	9 %
Banco de Bilbao	9 %	Mallinhall Limited	9 %
Bank Hapoalim BM	9 %	Edward Manson & Co.	10 %
BCCI	9 %	Meghraj and Sons Ltd.	9 %
Bank of Ireland	9 %	Midland Bank	9 %
Bank Leumi (UK) plc	9 %	■ *Morgan* Grenfell	9 %
Bank of Cyprus	9 %	National Bk. of Kuwait	9 %
Bank of Scotland □	9 %	National Girobank	9 %
Banque Belge Ltd.	9 %	National Westminster	9 %
Banque du Rhone	10 %	Norwich Gen. Tst.	9 %
Barclays Bank	9 %	R. Raphael & Sons	9 %
Beneficial Trust Ltd.	10 %	P. S. Refson & Co.	9 %
Bremar Holdings Ltd.	9 %	Roxburghe Guarantee	9½%
Brit. Bank of Mid. East	9 %	Royal Trust Co. Canada	9 %
■ Brown Shipley	9 %	Standard Chartered ‖	9 %
CL Bank Nederland	9 %	Trade Dev. Bank	9 %
Canada Perm't Trust	10 %	TCB	9 %
Castle Court Trust Ltd.	9½%	Trustee Savings Bank	9 %
Cayzer Ltd.	9 %	United Bank of Kuwait	9 %
Cedar Holdings	9 %	*United Mizrahi Bank*	9 %
■ Charterhouse Japhet	9 %	Volkskas Intnl. Ltd.	9 %
Choulartons	10½%	Westpac Banking Corp.	9 %
Citibank Savings ¶	10½%	Whiteaway Laidlaw	9½%
Clydesdale Bank	9 %	Williams & Glyn's	9 %
C. E. Coates	9½%	Wintrust Secs. Ltd.	9 %
Comm. Bk. of N. East	9 %	Yorkshire Bank	9 %
Consolidated Credits	9 %		
Co-operative Bank *	9 %		
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		
■ Hambros Bank	9 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 5.5%, 1-month 5.75%. Short-term £8,000/12 months 8.1%.

† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.

‡ Call deposits £1,000 and over 5½%.

§ 21-day deposits over £1,000 6½%.

‖ Demand deposits 5½%.

¶ Mortgage base rate.

□ Money Market Cheque Account—8.75%. Effective annual rate—9.11%.

FINANCIAL TIMES SURVEY

Wednesday December 14 1983

Business Information Systems

New technology is acting as the catalyst to speed up the flow of business information from providers to users. The trend now is towards increasingly specialised data services to meet clients' particular requirements.

Dun & Bradstreet's Key British Enterprises: a business and management information databank available on a Pergamon-Infoline computer

SIZE AND GROWTH OF ON-LINE MARKET

Description	1980 US$m	1985 US$m	Annual compound growth rate %	Source
● UNITED STATES:				
On-line database services	1,900	3,000	+ 9.5	Creative Strategies Inc. (1981)
Commercial on-line databases	1,000	3,400	+28.0	Link Resources Inc. (1981)
Computerised databases	77	393	+38.0	I. D. Corporation (1981)
On-line database services	1,436	4,275	+24.0	Input (1981)
On-line bibliographic and factual databases	900	3,340	+30.0	Monitor (1981)
Average	1,063	2,880	+22.0	
● EUROPE:				
On-line database market	65	4,300	+130.0	Computer weekly (1981)
On-line database market	123	1,400	+63.0	Input (1981)
On-line bibliographic and factual databases	83	—	—	Monitor (1981)
On-line database market	124	460	+30.0	CS and P (1982)
Average	99	2,053	+83.0	

Source: Knowledge Industry Publications.

A growing demand for customised services

ANYONE DOUBTING the money to be made in business information need look only at Reuters, the world's oldest international news agency. Pre-tax profit in 1980 was just over £4m on a turnover of £90m. By 1982, pretax profit had grown to £37m and this year it could touch £60m.

This spectacular growth record is the result of Reuters' success in developing computer-based information services for the business market, provided, in the main, through the ubiquitous Reuters Monitor video screens.

By ALAN CANE

In addition to its familiar money market and commodities services, it has added in recent years a shipping service, selective commodities service for futures markets specialists and an oil service, a combination of prices contributed by dealers, terminals market prices and — perhaps most significantly — news and economic indicators.

Reuters claims this has sold faster than any previous new product, and it is a pointer to the principal trends in electronic information.

Proposals to float Reuters on the Stock Exchange have focussed attention on the company, but it is only one of a growing band of organisations which are looking for new profits in electronically provided information.

In the UK, these include Datastream, a closed user group (paying-members only), providing historical data on equities, company accounts, fixed interest securities, market performance indices, interest and exchange rates, financial futures and commodities; Dunsprint, a closed user group, owned by U.S. financial analysts Dun and Broadstreet, which provides information on U.S. companies; and Topic, the Stock Exchange's own general news service.

In both Britain and the U.S. Reuters competes with Telerate which was floated in the U.S. last year, and in the U.S. with Quotron, Monchick-Weber, and Telemet, among a host of others.

There were 20 publicly available computer-based information systems or databanks in 1965, mostly dealing with scientific and technical information—the kind of information brought together by Euronet, the European Commission initiative in European database management.

By 1979 there were more than 400 databanks covering much more than scientific and technical subjects; the number of users of this information grew from 10,000 to 100,000 between 1965 and 1970. The total is expected to exceed 300,000 by 1985 in the U.S. alone.

Categories

These big financial information services are the gilt on very substantial gingerbread. Business information services fall naturally into three categories. First, on-line business information provided by outside bureaux which the businessman can have access to through a terminal in his office (the Reuters video screen is a good example).

These bureaux are often referred to as "spinners," a reference to the fact that their livelihood depends on keeping big computer disc memories spinning information out to their clients.

A special case in this category is British Telecom's Prestel service which provides on-line computer information for display on commercial television sets via the telephone lines.

Originally planned as a home information system, Prestel's marketing thrust has gone through several metamorphoses in its short life. Now the accent is on business information and the latest venture — in combination with InterCom Videotex — is Citiservice, which offers a package of financial and commodities information.

Second, there are the in-house systems which make it possible for a business executive to have access to his company's computer-based information through a terminal on his desk.

The most dramatic development in this area in the past two years has been the advent of the professional personal computer giving the executive the facility to modify and manipulate information taken from the main files.

Third, there are on-line services provided by organisations to their customers to facilitate business between them. The most powerful example here is the cash and treasury management systems which all the world's major banks are installing to give their corporate clients more direct and immediate control over their funds worldwide.

In all these categories the new electronic technology intially acted as a kind of catalyst. It speeded the movement of information from the provider to the user without altering it in any way. So, for example, a professional journal like *Chemical Abstracts* has been available in the form of massive printed volumes for over 75 years; it has been available in on-line form for just over 10 years, but as abbreviated entries which make searches quicker—the customer still has to go to the printed volume for the abstract and to the original paper for the full text.

Now the trend is away from simply providing raw statistics and towards a "packaged" product in which value is added to the data by customising it to suit the client's requirements.

So, for example, although a number of on-line information companies provide "news alert" services based on searching through a menu of items of possible interest, when the ITT Corporation and the Financial Times decided to link hands to provide a novel service, they chose to offer a customised news alert—tailored to the immediate interests of their subscribers.

Mr Robert Braverman, ITT senior vice-president, said: "For the first time, subscribers will be able to specify their interests and receive news and intelligence, tailored to their needs, virtually whenever and wherever they wish."

Services

Tailoring general news is, of course, simply a sophistication on the old theme of dedicated subject coverage. Just as *Chemical Abstracts* and *Biological Abstracts* provided specialised information for professional chemists and biologists, so the major UK legal retrieval services Lexis and Eurolex provide similar services for lawyers.

The UK bureau and computer services company Scicon (a BP subsidiary) is now making available the full text of the House of Commons *Hansard* reports for on-line access through visual display terminals.

Scicon's system is called POLIS—Parliamentary On-Line Information Service—and it already has over 100 users in central and local government, trade and professional institutions, the media, businesses of various types together with universities and polytechnics.

Earlier this year, Unicom News, a joint venture between United Press International and Commodity News Service (CNS) launched what it claims is the world's most advanced real-time commodity prices monitor, Uniquote II.

The system was designed for futures traders and companies involved in commodity trading and takes advantage of the distributed processing techniques with considerable intelligence in the "Uniquote" terminals—"we have shunned the traditional concept of a central mainframe computer which is accessed by remote terminals," said Mr Terence Andrew, Unicom president.

"Instead, we have opted for a broadcast mode of data transmission where each terminal receives all the data output, but will only be authorised to display the information agreed.

"We have developed a terminal to meet the needs of the international commodity trade

CONTINUED ON NEXT PAGE

CONTENTS

More customised services

CONTINUED FROM PREVIOUS PAGE

and can, for the first time, provide traders with price quotations, real time foreign exchange rates and the *full* Unicom News service on a single terminal."

"Single screen" is an emotive expression. Already, a dealer *might have on his desk* a Reuters screen for universal commodities information and news, a Telerate screen for financial information and money broking and an ADP Comtrend monitor for U.S. markets and high resolution graphics.

He could add a London Commodities Exchange "Manifest" screen for continuously updated price information and his desk will be getting cluttered.

At present, there seems to be no agreement on whether dealers should work with a *variety of screen, with a single* screen with the picture divided into separate "windows" or with a screen which can be changed rapidly from one set of information to another.

Company executives would presumably prefer to be free of such clutter on their desks; at the most, they would agree to a *single professional* personal computer on the desk top.

The chief trend today, much encouraged by a newly aggressive IBM, is towards the data centre as the repository of company information which can be accessed by many people in the company but modified or altered by a very few under *strict supervision.*

Catalyst

Some of the information may be drawn off for processing at a secondary site or information centre, yet more may be downloaded to personal computers on the desk top.

Again, the technology has provided the catalyst—"the information was always there, but you could never get at it," comments Mr Andrew Rodger, director of marketing for Package Programs, a UK software company which provides management information systems for many top companies, including Rank Xerox, Black and Decker and Wimpey.

"But the more you give people, the more they want. Nice to know quickly becomes need to know. There is a creeping sophistication built into business information systems."

Mr Terence Andrew, president of Unicom News: meeting the needs of the *commodity trade*

Here, and on the next three pages, correspondents highlight some of the specialist users of business information systems

A boon for the money markets

VIDEOTEX SERVICES have created the first "live" money markets in London. Up-to-the-minute details from any of the ever-changing money markets is not cheap, but many customers are finding that it is less expensive than acting on out-of-date information.

Inhabitants of the Square Mile all need to know at least something about one of the money markets. Before the arrival of videotex services, daily newspapers or a series of telephone calls were the only way to shop around for prices.

Unlike the stock or commodity exchanges, there was nowhere one could go and compare prices in one place.

Videotex, the rapid collection and distribution of information *on prices in a standard form,* displayed on a network of terminals, was ideal: people who use this data can also supply details of their own to create a live exchange.

The Reuters Monitor and Telerate, from America's Telerate along with AP-Dow Jones, are the most successful of these professional services which carry information about money itself. But each and every one of the services carries some monetary information, besides more general items on stocks, commodity prices or news.

Professional services such as these are costly because a leased telecommunications line has to be routed to the terminals to connect it to the wider network. But they are interactive, so information can be sent as well as received, and they offer the fastest dynamic service so that the most up-to-date price changes are displayed.

Reuter's Monitor is the acknowledged world leader in the field, with some 15,000 terminals hooked up in 74 countries.

Miss Julie Holland, the money market manager, said that it can offer information from the exchanges and markets, the chance to deal electronically, rather than over the telephone, and, ultimately, the opportunity to process all this information.

In its first and foremost role as an information provider, Monitor is being used to display the changing price of currencies, of financial instruments or the rates of interest. *To this base, the bankers and* brokers which use it add their own position in the markets, as would a jobber on the floor of the Stock Exchange.

The dealing system option of Monitor, which costs £1,250, on top of the basic £595 monthly subscription fee, is unique. Half of the videotex terminal screen displays Monitor, while the top half is used to actually deal with a particular firm in the money market.

"This allows anybody who wants to buy credit to first find the best or most suitable rate and supplier, and then finalise the deal, via Monitor," said Miss Holland.

Potential

It could go much further, she adds, with the use of the terminal network to close or confirm deals and complete processing of the results.

Reuter became one of the first *videotex services to offer* such information and it now has the largest base of information providers. The profitability and future potential of Monitor is one of the key reasons why Reuters' proposed stock market floatation is expected to raise £1bn to £1.5bn.

Telerate is one of Reuter's strongest rivals, with some 1200 *of its several thousand strong* terminal viewers and information producers based in London. The overseas operation of Telerate includes its right to pool information from Quortron Systems, the Associated Press and Dow Jones and it is the *foremost supplier of details* about the American markets as a result.

Rapid access to such exotic markets is Telerate's big attraction, *according to a* director, Mr Eli Antar, who, until recently, was the man whose job it was to sell the service to the European market.

"Our big advantage over Reuter's Monitor is a much more thorough picture of dollar currencies, and the ability to bring together the financial information about the Western *hemisphere," he claims.*

The Telerate service, which at £500 costs much the same as its competitors per month, is highly specialised in its ability to provide detail about U.S. Government securities, or the so-called "Fed Watching": this is an analytical service which tries to penetrate to the heart of the larger and more complex Federal stocks and bonds market.

A more general service is offered by the third biggest supplier, the Citiservice from Inter Commodities Videotex (ICV) and British Telecom (BT).

Carried on the public viewdata network, Prestel, it is primarily aiming for the casual viewer who does not want the expense *of a leased line or high* monthly subscription charge.

Mr David Taylor, ICV's managing director, said that Citiservice carries financial details on general topics such as currency, certificates of deposit or bonds with what is called "a 30-minute snapshot."

In other words, ICV updates the prices only if they change over *this period of time.*

For a money-broker this time lag would be unacceptable, he added, but for the private individual or smaller companies, it is adequate. ICV must gather its details about the money markets by telephoning a number of brokers with whom it has an arrangement, "because, unlike every other exchange, there *isn't one generating* electronic signals for the money *market.*"

This picture is changing slowly, as nearly all the money-brokers become part of one or more information networks.

Mr Taylor said that he can forsee the day when cumulative monetary information will be electronically generated, much like the Stock Exchange TOPIC *system* sums up the price bids and offers for shares.

Meanwhile, since Citiservice is available on Prestel, it is far cheaper for people in Britain outside of the Square Mile to *pay the 'phone call and small* usage-cost of viewdata—some tens of pence—rather than buy a leased line which is going to be used infrequently.

Benefit

Another advantage of the Prestel viewdata delivery is that a common terminal is used for all transactions: many brokers' desks are becoming cluttered up by the individual terminals which various videotex services employ. Reuters recently came up with a single, programmable keyboard which can perform all the functions required in a dealing room.

Fintel, the Financial Times service, has a money-market option which is called *International Financial Alert. For* £750 a year this leased line services offers investment advisors services such as international hedging advice, spot and forward exchange rate projections and reviews of currency positions.

Edit, from the Extel subsidiary of Exchange Telegraph, is another continuously updated *service specifically for the* monetary markets. Stock exchange members pay £860 for the first terminal while those outside must find £1,265 for a year's subscription.

These videotex services also offer more limited use of their information on Prestel, in the form of general pages which compress the output which *would* usually take up many tens of pages.

"Prestel used to be too fragmented, with all these high-quality professional services, offering a little glimpse of what they offer on their pages," said Mr Taylor. "The aim of Citiservice was to bring it all together for the general business-user."

The fragmentary services are often highly detailed and *dynamic, but cost thousands of* pounds.

Miss Holland explained that, for Reuters at least, this is proving to be a very profitable business, since the change in a fraction of a cent can add up to thousands of dollars saved by a multinational "in the know."

She believes that the videotext money market still has room for growth to service these business viewers, now that the money-broking community is reaching saturation point.

Paul Walton

Impact of technology on the commodity markets

The key to creative broking

COMMODITY prices for softs and metals will soon be dealt at the speed and in the volumes now possible for stocks and shares, as commodity-brokers face the kind of electronic competition which has gripped the stock markets.

The first, fully-integrated electronic commodity broking system may leapfrog the Stock Exchange's early lead, not simply following current prices, but planning what futures ought to be.

Mr Andrew Wedmore, project manager for the systems being installed as part of a nine-point plan by leading commodity brokers, S. and W. Berisford, has a name for it: "Creative commodity broking."

He said that commodities are the last, conservative bastions of the City of London where transactions still tend to take place in a particular place or exchange, and where calculating deals, worth many millions of pounds, might still be done with pencil and paper.

Several London commodity exchanges now supply *digital* information on prices to the videotex information services. The International Commodities Clearing House, a collective rather like the Stock Exchange, *has lately provided positions* and prices with its Classic system.

But, as Mr Wedmore pointed out, the City's computer suppliers have been reluctant to offer the very large individual commodity dealing systems, which would be ten or even a hundred times the capacity of stock broking systems.

"We are a very large broker, more like an international bank, dealing with millions of transactions each day. No off-the-shelf system would be large enough, so we had to develop our own," he added.

Berisford awarded one of the largest single contracts for software to Systems Programmers (SPL), in 1982 worth some £2m, just to program its system. The commodities broking system which they are developing is called Bericom and it will be introduced point-by-point to the end of 1985.

"Although we're taking a pretty standard approach to commodity broking, we will be very much ahead of our competitors when its finished. At that point we might decide to sell versions of Bericom, or lease the use of our system to other brokers," added Mr Wedmore.

Berisford is one of the biggest commodity brokers, with a turnover of £2,792.2m and profits of £54.7m in 1982. Eighteen months ago it also decided to take electronic technology much more seriously.

Berisford's Information Technology (or BIT) is the group's new commercial computer services arm, a spin-off of its own in-house data processing activities. Mr Wedmore actually works for BIT, which is managing the development of Bericom.

Hectic

The support of a commodity broker has all the usual problems associated with any financial or broking system—and quite a few more which are peculiar to that market. Commodities are traded by taking a position, or making an agreement to buy and sell at particular prices: the market is far more hectic as a result.

"Almost every price or variable can change at any time. We have to account for the supply conditions in a particular commodity (whether it is long or short), currency fluctuations, our equity control and even the changing political climate or just the weather," said Mr Wedmore.

To cope with this changeable environment, Bericom is being phased in along a nine-point plan which takes in each aspect of commodity broking. The ultimate goal is instantaneous control of the Berisford prices and positions in its major commodities: cocoa; coffee; sugar; metals; oil seeds; nuts; rubber; and tea.

The most important point is the ability to be able to control position in a commodity, to be *long or short. This involves* taking basic information from the Classic and Reuters Monitor service, calculating the price and supply of a certain commodity.

The next step is to be able to control the use of Berisford's equity and track its credit position around the world. This kind of financial management is common to most businesses, but it is far more complicated to follow when the base information might be changing from hour-to-hour.

An international telecommunications network links Berisford's three main offices in London, Amsterdam and New York, along with minor input from its other out-stations around the world. The network is designed to be fail-safe and employs the same kind of Tandem Non-Stop computers which the banks favour for this same purpose.

A commodity is traded by agreeing terms and then exchanging contracts, the equivalent of stocks or shares. Bericom will introduce the first electronic system which will print out these physical contracts immediately after a deal has been concluded.

Once the basic dealing system is in place, Mr Wedmore said that Berisfords want to place less and less trust on outside electronic information. A currency administration system will allow Bericom to work out the effects of fluctuations for itself, automatically and as they occur.

There is a great deal of administration which must follow a deal being struck. The contract documentation must be collated. The terminal which a broker is using must be *monitored to give a record* of the day's trading. In the final part of the plan, Bericom will take over all these functions from the previous manual or only partially automatic systems.

Mr Wedmore said that by 1985, commodity dealing "will be far more timely. A dealer will be able to do a trade and then see its effect on the business and on the market immediately."

This makes for better control of equity and a very much faster response time to change. *With a high proportion of its* equity in use at any one time, he added that "pretty tight control is essential."

The real benefits from automatic commodity dealing will only begin to be felt once the manual systems have been entirely removed. Then a dealer will become much more of a tactician, with the tools at his disposal to plan campaigns in certain markets or at certain crucial times of the year.

"A dealer will be able to hypothesise about the overall effect of certain moves. He will, in effect, be a creative commodity broker.

"At the moment, any kind of planning is still done on paper. In the future, the calculations will be performed automatically leaving just the final decisions and choices to be made," added Mr Wedmore.

The commodity market might then become almost entirely concerned with futures, since today's deals will be handled automatically.

Paul Walton

Rachel Davies looks at legal retrieval services

Why the lawyers are not yet rejoicing

"MAN IS a pliable animal, a being who gets accustomed to everything," said Dostoyevsky. The English lawyer may be less pliable than most, but even he is getting accustomed to the computer.

His American cousins took to the legal information systems like ducks to water long ago. Now, three years after their introduction into the UK, Mr Sandy Weatherhead of the Society for Computers and Law, says: "We have failed to fire the imagination of the profession as to the potential of the computer."

This is denied by both of the two major legal retrieval services in the UK, Lexis and Eurolex.

Mr Kyle Bosworth of Lexis describes lawyers' reactions as "absolutely fantastic." Mr Norman Nunn-Price of Eurolex is more restrained. He says lawyers' attitudes have changed from being hostile, to passive, then to receptive.

Since 1980, he says, when Lexis and Eurolex were introduced and were actually seen in operation, the climate has changed dramatically.

Lexis was established in the States long before it came to the UK. It is based in Dayton, Ohio, and is serviced in this country by Butterworths, the legal publishers.

Established in U.S.

Subscribers have transatlantic access to a wealth of information, including full text law reports, transcripts of unreported cases, the complete statute law of England and Wales, American cases, tax treaties and EEC Commission decisions.

Eurolex is entirely British-based, but has subscribers in most European countries and as far afield as Singapore, Hong Kong and New Zealand.

It carries full text law reports, summary reports, digests, statutory material, Common Market law reports, European cases and treaties. Through Interfisc, it provides access to information on international tax planning, including descriptions of the tax system of more than 60 countries.

Both Eurolex and Lexis are being used by solicitors in a good many large city firms, in nearly every law faculty in the country, and increasingly by barristers' chambers.

The Lord Chancellor's Department had its own private file of criminal cases, on a direct line from Eurolex to the Criminal Appeals Office in the Strand. This has now been made available to all subscribers.

Eurolex also serves the bar and solicitors through London Law Research which was recently set up by solicitor Charles Swingland, and computer consultant Nick Tomlinson, to act as an intermediary to make searches on behalf of individuals or small firms at comparatively low cost.

Lawyers whose practices require constant research and who do not close their minds to innovation, cannot fail to achieve a rapport with the legal retrieval system.

It can do so much so quickly, and if time is money, it does it comparatively cheaper. If a user seeks a word, a sentence, a headnote, a judgment, he or she only has to press a button. To the uninitiated, it is magic. To the initiated it can become an essential part of one's working life.

According to Mr Norman Nunn-Price it would cost, on a conservative estimate, £4,600 a year to subscribe to all the reports and publications on Eurolex. If translated into bookshelves, they would take up several cricket pitches.

The advantages are obvious, but one can understand why British lawyers were cautious in their reaction. Few barristers in a general common law practice would have felt the need to search for obscure sources of law. Their specialist brethren might well have felt that they had penetrated the depths of their tiny but complicated pool, and had their own methods of keeping up to date.

It would be unfair to say that men of such extraordinarily old-fashioned dress must have old-fashioned minds, but there is no doubt that barristers practise under a system that has suited them for centuries, and they can only be expected to consider computers with caution.

More in use

But the signs are that the legal retrieval systems are being increasingly used, to such an extent that the House of Lords has already indicated that it is fed up with having its time wasted by the production of lengthy and irrelevant computerised transcripts of unreported cases (see *Roberts Petroleum; FT, February 15, 1983*). This could lead to interesting questions in a country where the legal doctrine of precedent is paramount.

Care should be taken in selecting materials if the computer is loaded indiscriminately with useless information it will clog the system and defeat its purpose. Also, rules will have to be formulated as to selection of computerised material for citation in court.

In time, as conflicts inevitably arise between system and systems, and between systems and searchers, a new branch of the law will develop called "computer law" or "communications law."

Then the lawyers will rejoice — and no doubt embrace the computer with true enthusiasm, for it will provide additional employment and income — and they, in turn, will provide ever-increasing material for the system.

New demands stretch technologies

COLLECTING and classifying business information is one thing; storing it in a computer databank in such a way that it can be easily retrieved and manipulated is quite another.

The demands of the business information industry are already stretching existing hardware and software technologies to their limit and putting intense pressure on manufacturers to come up with novel devices that will store significantly more information than the best of today's machinery.

Conventionally, on-line (immediate) access to large volumes of computer data has been through the magnetic disc, spinning in a disc drive. Computer information is written to and read from the magnetic surface of the disc.

According to Control Data Corporation, one of the companies specialising in advanced magnetic recording media, slightly less than 13m bits of information (eight bits are roughly equivalent to one alphanumeric character) can be written on one square inch of magnetic disc surface.

"By 1984, it is going to be 25 and by 1985, it will be 50. At this pace, by the end of the decade, the areal density will be approximately 200m bits per square inch," Mr John Morrison, vice president for technology, Magnetic Peripherals Inc (a CDC subsidiary), told investors earlier this year.

Such developments will mean that magnetic disc memories will decline in cost at a rate of approximately 50 per cent every five years securing their place in the hierarchy of storage technology.

Magnetic writing

The principle of magnetic writing stretches back to 1898 when a Danish engineer, Valdemar Poulsen, used a rotating drum as an electromagnet. The surface of the recording medium—disc or tape—is coated with iron oxide particles one 10-thousandth of a centimetre in length.

These represent tiny bar magnets and data is written when the writing head applies a magnetic field to the medium, aligning the poles of the oxide slivers in one direction or another.

According to Mr Morrison of Magnetic Peripherals, the key to the future will be the thin film head, a technology introduced in 1979 by IBM in its model 3370 disc drive.

Conventional read/write heads use wire coils to induce a magnetic field in the recording medium but the thin film head has a core of Permalloy, a mixture of nickel and iron.

This is deposited on a small ceramic slider. According to Creative Strategies, a U.S.-based consultancy, such heads can record 15,000 individual points per inch.

"With thin film heads, the magnetic field is more concentrated around the head gap, which allows for greater packing density on the disc medium," it says (Memory Storage Media, 1983; $1,450).

Mr Morrison says: "Our five-year product strategies are well documented in terms of technology. And what our planning shows is that to stay in this business, you must have thin-film heads. Today's thin-film heads are not readily available in the independent market place."

Software solutions are increasingly being based on ideas derived from artificial intelligence and from ways of connecting the information in a databank in a logical form so that it can be retrieved meaningfully.

But even if thin film technology—both in the read/write heads and in the recording media itself will greatly prolong the life of the magnetic disc, the way of the future seems to lie in the optical disc or card, written to and read by a laser and possessing massive storage potential.

According to the U.S. consultancy Input: "Optical memory systems have the potential to be the clear winners in the race to increase recording densities and reduce costs. It seems obvious that by 1986 it will be possible to use optical discs to record—and have available—enormous quantities of data at a very low cost."

How enormous? Input suggests a plastic card the size of a credit card could contain 8,000 pages of typewritten text, or 40m bits of information.

It draws a picture of the *Encyclopaedia Britannica*, complete with illustrations on something the size of a long playing record; or the entire contents of the National Archives stored in a room 10 ft by 23 ft.

Optical storage can make all of this possible. A high powered laser is used to "write" tiny pits on the metallic surface of a disc or card. These pits can be so arranged as to represent computer-coded characters.

The characters can be read using a lower powered laser which records either a pit or the absence of a pit to recreate the code. In this way, optical discs can reach recording densities of 100m bits per sq in.

According to Frost and Sullivan, the U.S. market research organisation: "It now appears that write-once optical media and drives will have great success in markets now served by magnetic tape and microform. Magnetic tape is vulnerable because optical disc has far greater compactness, accessibility and durability in use.

Microform is vulnerable because optical disc stores digital as well as 'image' information and is far more practical for live and frequently accessed storage.

Market segments in which write-once optical media will do well include office automation, transaction recording and image storage. *(Optical Memory Media Market in the U.S., 1983, £1,375.)*

One of the more interesting developing erasable disc based technology is by Drexler Technology of the U.S. which has developed a credit-card-sized card capable of storing 8m bits: "Because of the compactness and low cost of the card, as well as its ability to be produced in a read-only version by photographic printing methods, this format has real potential, Frost and Sullivan says.

One drawback to the use of optical storage devices has been the fact that they cannot be rewritten or erased — now Japanese and U.S. manufacturers are developing erasable disk based on pigment changse or changes in surface opacity.

Given physical storage of the data, the question of efficient access to and extraction of data remains. One approach is ICL's Content Addressable File Store (CAFS), a hardware device which the company is now installing as part of its bigger computer systems; it enables information to be retrieved in a fraction of the time nee d for a detailed search through the database.

Software solutions are increasingly being based on ideas derived from artificial intelligence and from ways of connecting the information in a databank in a logical form so that it can be retrieved meaningfully.

Requirements

The relational database works on this principle.

The data is so arranged that there is a natural relationship between all the different items of data in the store. A number of different people can examine the same data but in ways which suit their own specific needs.

The personnel officer, head cashier and company doctor will all have valid reasons for searching the company files yet they will each want to see the data arranged in specific ways if they are to get most out of it. A relational database, such as Logica's Rapport, makes this possible.

Search techniques based on the principles of artificial intelligence are already in use—generally being based on a dialogue between the searcher and the computer. Such techniques are expected to become commonplace both for commercial databases and for in-house systems.

Alan Cane

City welcome for a revolution

A TECHNOLOGY revolution is taking place in the club-like environs of the City of London.

The recent announcement by the Stock Exchange that it had approved the development of a new computer system to handle share transfers at a cost of around £6m was the latest in a series of moves which are bringing London's financial community into the twentieth century.

The new scheme proposed by the Stock Exchange will have a significant impact on all areas of the securities industry in Britain and could lead to the demise of the share certificate.

The key proposals for the new system—known as Book Entry Transfer Administration—are:

- Major investors will be able to enter into agreements with the Stock Exchange which will allow transfers to be initiated electronically through the Stock Exchange's integrated data network.

For these, investor entries will continue to exist on the company register but certificates wil not be produced.

- Agents, such as the stockbrokers and banks, acting like nominees will be able to control uncertified accounts on behalf of small investors within the system while the beneficial owner's name will appear on the company register.
- Certificates and transfers for the smaller investor will be replaced by a single document known as the registered shareholders receipt. At first this will be available only for those securities where the register is on-line to the Stock Exchange's computer system but the Stock Exchange hopes for rapid growth in the list of applicable securities.

Involvement

The technology changes now under way have been given impetus by the financial services revolution now taking place in the London market following the deregulation of the Stock Exchange by the Government this summer.

Citicorp, the giant U.S. banking group, is taking a 29.9 per cent stake in Vickers da Costa, the British stockbroker. Mercury Securities, the parent company of S. G. Warburg, the merchant bank, is taking a 29.9 per cent stake in Akroyd & Smithers, the stockjobber.

RIT and Northern, the financial group, is merging with the Charterhouse Group, whose interest include the merchant bank, Charterhouse Japhet. RIT and Northern also has a 29.9 per cent shareholding in stockbroker, Kitcat and Aitken. Security Pacific, the U.S. banking group, has acquired a 29.9 per cent stake in Hoare Govett, a large stockbroker.

Banks are becoming involved in broking and fund management and brokers and fund managers are becoming involved in banking.

Fixed commission scales are to be dismantled on the stock market which will place the broking and jobbing community under extensive commercial pressure.

It is widely predicted that the Stock Exchange will eventually have to allow its firms to act as both broker and market-maker if the commercial pressures mount and encourage merger activity within the community.

As the changes are taking place in the stock market so other financial groups are seeking to extend their operations. Mercantile House, the large international financial services group, has been studying the possibility of taking a stake in a stockbroker, while Exco, the money broker with extensive financial inerests, has been studying a similar course of action.

Substantial international financial groups are being formed in an effort to be able to create a dealing network which will allow transactions to be carried out in the main financial centres at any time of day.

In a recent study, Logica, which has carried out a number of projects for the London stock exchange, has argued that in many dealing rooms the needs of the dealer are not always catered for.

It has said that external market information comes from a variety of sources such as TOPIC screens, Reuter Monitor screens, Telerate screens, and a number of specialist bureaux and networks. Until very recently, the user of most of these services gained access to the information via a special purpose terminal supplied by the information provider.

Providers of information now permit a link direct into a user's computer but there are strict conditions placed on the use to which the data can be put.

The changing situation has led to a proliferation of different terminals in the dealing room and a large amount of redundancy in the information provided.

Accessibility of internal record to dealers is also inconvenient in many cases.

John Moore

On-line news: an under-valued resource

THE BAD news about data bases offering on-line news and current affairs information is that they do not seem to be an easy route to profits.

Marketing managers of large news organisations seeking to exploit both the potential of new technology and add value to their existing raw material, whether printed or broadcast, have, on the whole, so far been disappointed.

The winners have been those able to say honestly they are breaking even and there have been several very public failures.

The best-known is probably IRIS, the Washington-based organisation which was set up to explain the flow of world events but was unable to predict just how reluctant customers would be to pay large amounts for such interpreted *view of the world scene*.

The New York Times Information Bank was passed on, after years of losses, to Mead Data Central. The Financial Times entered the market with *Fintel*, but also ran into problems.

Although there is still an education process under way to persuade people and organisations to pay more for what has been an undervalued resource, the good news is that there are several new services from new *companies entering the market* or as old ones trying again.

Datasolve, the data base subsidiary of Thorn EMI, a long-established computer services *company launched at the beginning* of this year launched a news service called "The World Reporter," in conjunction with the BBC.

"*World Reporter*" *has access* to material broadcast by the External Services of the BBC and the monitoring of the radio broadcasts of 122 countries in 50 languages carried out by the corporation at Caversham.

The Economist and the Associated Press have also been added to the data base. "World Reporter" is available on any teletype-compatible terminal or micro computer for a basic fee of £200, plus usage costs of between £30 and £60 an hour.

Despite such relatively modest charges the service still only has around 50 clients, although this includes, it is believed, Government departments such as the Foreign and *Commonwealth Office. But for* corporate clients Datasolve says it can make available bits of commercial information that might otherwise stay buried or be overlooked.

A recent broadcast in China, for instance, which was picked up by the BBC monitoring service, revealed that the Chinese had just bought 20 IBM-4300 computers.

That piece of information, Datasolve says, could mean business for other companies *selling peripherals*.

Datasolve's "World Reporter" is just one of several new services which have begun this year in the hope that the time might be right to crack a difficult market place.

In October, "On File," an on-line data base specialising in political and commercial news on the Middle East, began its operations.

Mr Steven de Winter, "On File's" managing director, believes that 150-200 clients (and break-even point) may not be all that far off.

News alert

At the same time as "On *File*" *was beginning its service* to clients such as British Petroleum, the Financial Times announced it was trying again in a joint venture with the ITT Corporation, formerly International Telephone and Telegraph. The two companies are collaborating to provide an electronic news alert system.

Information summarised from the pages of the Financial Times and other business news providers can be called up through any communications terminal, personal computer, *printer or telex terminal*.

At the same time, news agencies, such as Reuters, have begun to realise that by concentrating exclusively on up-to-the-minute information on world events and market prices they may have been missing out on an opportunity.

Reuters is now in the process of giving itself a memory by providing "historic" services for clients. A bonds service will be launched in the spring which will give historic information on more than 3,000 bonds, their prices and yields.

Agence France Press already has a service called "Agora" where full texts of stories can be retrieved, using key words in the opening paragraphs to identify items of interest.

One company which has made an impact in the market for textual data bases has been Finsbury Data Services, the City of London-based company which provides on-line access to a data base of industrial, financial and corporate facts and *figures from all over the world*.

The company, set up four years ago, has around 600 clients in the UK, Europe and the U.S. paying up to £8,500 a year for unlimited access to all its services.

More importantly, Mr Graham Blease, chairman of Finsbury, believes the company, owned by the Scottish Northern Investment *Trust, Scottish Amicable* and British and Commonwealth Shipping, will break even this year on a turnover of around £1m.

Recently, Finsbury added the Dow Jones News Retrieval Service to the 78 other national and international publications which are abstracted and indexed in the data base for its main service Textline.

The data base now goes back to January 1980, and 4,000 new stories are added each week. Unlimited use of "Textline," including the provision of terminal and printer, costs £6,500 a year although clients pay on a per use basis.

Finsbury *says that as well as* the UK, *its editors* monitor the major publications in all EEC countries, Japan, South America, Spain and Switzerland. "*Textline*" *is also published in* six languages, including Japanese and Danish.

Finsbury claims that it is the only company in the UK *offering a textual, as opposed to* numerical, information retrieval service using its own hardware and software.

Apart from "Textline" it also *runs* "*Newsline*"—an early morning electronic press-cutting service for a subscription of £1,000 a year. Subscription to the Dow Jones data base costs another £1,000.

But as "Monitor," the on-line newsletter, commented recently on the difficulties of addressing a market which is only just taking shape: "If your dog food does not sell, you know it *is* either your dog food or your marketing.

"You know in advance, however, that several million dogs *eat your competitors' dog food* every day, so the market does exist. One can display no such confidence with on-line news services; it would be nice if someone proved it for the rest of us."

Raymond Snoddy

Mr Graham Blease, chairman of Finsbury Data Services: making an impact

SELECTED DATABASE DISTRIBUTORS RANKED BY CUSTOMER

Company	Subscribers
Dow Jones and Company	30,000
TRW (credit information)	27,000
Equifax	23,000
Compuserve	20,000
Control Data	17,000
Prestel	15,000
Dialog	14,000
The Source	14,000
GE Information Services	6,000
System Development Corp	6,000
Reuters/Monitor/Dealing	4,200
Bunker Ramo Corporation	3,500
Telerate	3,000
Tymshare	3,000
OCLC	2,895
Dun and Bradstreet (Dunsprint)	2,550
Mead Data Central (LEXIS/NEXIS)	2,500
NYTIS	2,400
Medline	1,800
McGraw-Hill/DRI/S and P	1,300
TOTAL:	199,145

Source: Knowledge Industry Publications

Case studies: how a decision support system helps top companies solve complex problems.

Making sense of a deluge of business data

WHAT MAKES today's business information systems different from the management information systems of a few years ago is, chiefly, the quality of the information they provide.

Most managers will be familiar with the stacks of computer print-out generated by the earlier systems—and with the virtual impossibility of drawing usable information from the undigested mass of data.

Towards the end of the 1970s software manufacturers started to think about a new generation of management systems which would provide usable business reports and offer their customers the facility to model their business data.

The result was products like "Wizard," developed in Britain by the U.S.-based bureau, Comshare, at a cost of some £3m, and now one of the best-regarded of these "decision support systems" as they are called.

Wizard is used in the UK by a number of top companies, including Automotive Products, BL Cars, Ferranti Electronics, British Telecom International (BTI) and now American Express (Amex).

The two last companies illustrate how a modern business information system can transform the way a firm carries out its business. BTI, for example, the glamorous, high-technology end of the UK's state-owned telecommunicatons business, has undergone major reorganisation and faces special challenges in the months ahead as the liberalisation of the UK telecomunications market gets under way.

BTI has developed a business information system which it calls Camilot, and central to the performance of Camilot is Wizard.

Indeed, according to Mr Jim Hodgson, BTI managing director: "The timing of BTI's reorganisation was strongly influenced by the introduction of the Camilot computer-based accountancy system."

Mr Ron Fairchild, BTI's chief accountant, explained the major changes: "Budgets used to be allocated to expense headings, such as travel and subsistence, operations, maintenance, and so on.

"I wanted budgets that could be allocated to individuals who could be made responsible for a sum of money, given objectives and told to go away and get on with the job."

That was the ideal, but it was clear that BTI's existing manual methods of gathering, collecting and disseminating information were inadequate.

Mr Fairchild and his team decided, two years ago, that the only way of improving the situation was to computerise—the only sensible answer for a £1bn, 14,000-strong organisation with some 400 separate business activities.

BTI settled on Wizard as the basis of the new accounting system at Christmas 1981: by April of the following year (the beginning of BTI's accounting period), it had been sufficiently developed to provide reports for the first rounds of management meetings.

That speed of installation was crucial to BTI and encouraged its senior management to re-organise the company further along product lines.

Mr Fairchild says: "We were able to carry out that transformation because Camilot could produce product reports. The influence of Wizard is such that it has resulted in BTI being completely reorganised."

BTI is concerned with, among other services, the international telephone circuits, international telex, submarine cabling, and satellite transmission. Camilot, through Wizard, provides budget reports, giving individual budget managers their planned and actual expenditures on a monthly and year-to-date basis.

It also provides information about the profitability of each product and service.

"What attracted us to Wizard in the first place was the fact that it offers a multi-dimensional approach," Mr Fairchild pointed out. "The budget *reflected the organisation—but* that was only one dimension. We wanted to know the profitability of international telex and the profitability of international telegrams compared with the data transmission services."

The company needs to know the profitability of each of its services if it is to compete effectively with its new competitors after liberalisation. It needs to know if particular products are growing strongly or declining and it has to be able to answer questions—which may be hostile—from customers. Wizard seems to fill that function, assisting decision making without replacing mana*gerial judgment*.

Action

Mr Fairchild said: "Most of our financial decisions are influenced by the amount of management information Wizard is providing. It triggers management action rather than making the decision."

"What we can do now" he told the Financial Times 12 months ago, "is that within 10 days—theoretically within five days—of the end of each month, we *know* the state of BTI."

Today, Mr Fairchild is still satisfied with the system. "It costs more than we expected at first and some applications *take longer to run than* we anticipated, but in general, it is doing what we wanted it to do."

"The honeymoon is over, we're *settling down to married* life."

Amex had a completely different set of problems to BTI. For some years, its card business had used a timesharing bureau to collect and collate data for financial planning and reporting.

Information was fed into the system from around the world for consolidation at Amex's New York headquarters.

For Mr John Lenton, Amex vice-president finance, based in *London with responsibilities for* Europe, the Middle East and Africa, there were two drawbacks:

- First, the system was geared to the needs of New York which were not always the same as those of the rest of the world, so he found it awkward from time to time to get *the information out in the form* he wanted.
- Second, sometimes he found it impossible to get any information out of the system at all: "Because the system was controlled from New York, someone there had to open it up if we were to have access. Once or twice we found ourselves *locked out of the system* at critical times.

"Once, for example, we could not get essential information from the system the day before the beginning of our budget meetings because it was a public holiday in the U.S. and nobody was there to give access to the data files.

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BUSINESS INFORMATION SYSTEMS V

The data base market is growing by 20 per cent a year, as Raymond Snoddy reports

The future looks promising

BUSINESSMEN in major American cities can now keep in touch with the latest commercial information wherever they are, thanks to satellite, FM radio and a portable monitor, the size of a pocket calculator.

The monitor has an alphanumeric display which allows users to receive current prices, delayed by 15 minutes, from the New York and American stock exchanges, options on the American and Chicago boards and selected futures.

This is just one example of how new products—at least, in the U.S.—are making business information services more portable and flexible.

This particular service, run by a company called Telemet America, allows a user to have an individually programmed portfolio of up to 20 shares on which to keep a personal watch. A "bleep," followed by a digital message display, informs the user about any news breaking about his individual shares.

Future plans include the transmission of a much wider range of business data.

In the UK, Air Call, the messaging company have alphanumeric displays for relaying messages as well as bleeps—a system that could be developed to provide a range of simple business information.

In the office itself, systems are being developed which could, in the long run, improve the relationship between the non-technical businessman and the data base he wants to use. For example, one European publishing company, which does not want to be named, is using voice synthesis on data bases so that when the data base is interrogated, the answer comes in verbal form.

Because of the great difficulties in getting expert system software for computers to cope with the variations in the human voice and regional accents, questions have still to be keyed in. One day, however, it ought to be possible to ring up and ask for the answer to a difficult question—and be told.

The application of another new technology—the laser disc—might have a more fundamental, though apparently less dramatic effect on the economics of running data bases and electronic publishing in the next two or three years.

Although laser discs have so far been used primarily for entertainment, they have always been seen as a potentially almost inexhaustible source of storage for digital information. A single laser disc can hold the equivalent of 50,000 A4 sheets of paper, although at the moment there is the disadvantage that the disc can be "written" on only once.

Mr Graham Lea, chairman of the British Association of Data Base Providers, believes that the laser disc could in the near future transform the costs of running on-line data bases and reduce the cost to the consumer by an order of magnitude.

Laser-discs containing all but the most urgent up to the minute "hot" information could be sent to clients for "playing" on their own equipment.

Costs

Mr Lea believes that a large proportion of the telecommunication charges—which can be as high as £60 an hour for on-line bases—could be avoided, and one of the barriers to the more widespread use of sophisticated computer-based information systems removed.

An additional benefit of laser discs would be that pictures and diagrams could be included as well as text.

One data base company, Pergamon's Info Line, which deals in international patents, is already accompanying its technical information with diagrams.

While the future of business information services are likely to be marked by new methods of storing information more cheaply, easier and ultimately more human ways of gaining access to it and more economic methods of distribution the most dramatic changes are likely to be less spectacular.

The real breakthrough may come much more from the exploitation of existing technology and the expansion and maturing of the business information market, rather than from the immediate impact of new ideas.

The use of on-line information services is slowly spreading from the major multi-nationals to medium and small companies and the necessary skills from members of the scientific and financial community, used to accessing data bases, to the more general businessman in search of better information on which to base decisions.

Mr Lea, who is also managing director of Geosystems, a geological and mineral data base, believes the problem is still too few users although the data base market is showing growth of around 20 per cent a year.

Mr Lea believes that competition is helping to ensure that more businessmen and a wider range of companies will begin to use more sophisticated information systems.

The personal computer boom is also helping to make electronic business services and information more accessible to the average business. When a personal computer finally does reach the desk of every executive it will give almost every user the ability to "download" their own information from a large central computer, inside as well as outside the organisation, and create their own personal databases

Such a trend, which could also limit the expansion of the companies which insist on running their information on their own special terminals which have to be rented at considerable cost, could create the critical consumer mass which might transform the balance sheets of data base providers.

The microcomputer boom has already given an important boost to one information service which had been struggling to find its market—British Telecom's Prestel.

Prestel's Micronet 800 service—the ability to download computer games and software to adapted microcomputers—has greatly increased Prestel's penetration into the home. It has helped to increase the number of subscribers to 35,000 and shift the balance of users from 85 per cent business and 15 per cent domestic to one-third domestic.

Prestel, the first operational viewdata service in the world, is an example of how the mere existence of a service does not create the market for it.

It is only now that Mr Frank Burgess, general manager of Prestel, can say he is feeling more bullish about its prospects than he even has before.

By aiming specific products at carefully targeted market segments, such as real-time booking systems for travel agents, or commodity news for brokers, Mr Burgess says he can now see prospects of trading profit for Prestel in 1985-86.

The growth should be helped by the fact that, by Christmas, local telephone charge rates will apply to 92 per cent of the country. One-way telex has already been introduced via Prestel and development is already under way to make it a two-way system.

Decision support system

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One answer would have been to rewrite the system to suit Europe, "but the development costs were absolutely horrendous." And Mr Lenton was determined that the accounting system would be under his control to avoid a repetition of the "New York lock-out."

So almost a year ago, the company began to use Wizard, first on Comshare's own time-sharing service, Commander II, then on Amex's own large IBM computer in Brighton.

The three principal functions of the system were to provide a management reporting service, a forecasting system and a budget system. All are critically important, but the budget—in which 6m separate pieces of information are brought together into one coherent picture—is the toughest test.

It used to take three to four weeks and Mr Lenton speaks wearily of the failed attempts and the times the system simply threw up nonsense. The budgeting exercise was tried on the Wizard system for the first time this year and it worked first time. Three or four weeks of effort were reduced to three or four days.

The company carried out what dry runs it could, but as Mr Lenton says: "We took our life in our hands—but by then we had a high degree of confidence in the system."

What he especially likes about Wizard is the fact that although it is a big mainframe system, to the individual user at his video screen it has the feeling of a personal microsystem. And that is the clue to where Amex is going with Wizard.

Mr Lenton says: "We are using Wizard as a sort of relational database and streaching it beyond what it is meant to do—but it's taking the pressure very well.

"Our strategy is to have a central database of 'clean' numbers which we can trust, which will be accessible to those permitted access via an IBM Personal Computer."

Alan Cane

Britain's Export Credits Guarantee Department has plans to extend its business information system (above). Its operation parallels the needs of many other forms of business—for example, the insurance world.

Case study: how a busy government department set up its own business information system on issues related to exports and insurance.

New system offers big benefits

BRITAIN'S Exports Credits Guarantee Department took on a pilot project during Information Technology Year in 1982.

Now, far from treating it as a "one-off" experiment, the department is already extending the system and looking towards a future in business information systems with which it is already in tune.

This step forward for the ECGD represents the merging of the technologies of videotext, PABX communications, word processing, and electronic messaging into a cohesive information system.

Although the ECGD is a Government body, it operates on commercial lines. Parallels can be drawn throughout its information system needs with many other forms of business—for example, the insurance world.

The department's computer centre in Cardiff has two IBM mainframes which provide applications and facilities for principal insurance activities, such as premium-invoicing and cash-processing, with up-to-date information retrieval, modelling and reporting features.

The department had already equipped its London offices with a new PABX—the SL-1 from GEC's Reliance Systems. This was intended to provide not only smoother communications channels, but to prepare the way for information technology.

Installing the GEC computer as the core of the business information system was painless enough, much of the cost being met by the Department of Industry's pilot scheme. From then on, the ECGD and GEC were on their own.

Extended

The need for an information network was identified in two areas—management information and project control. It was introduced first on a limited "guinea pig" basis and is now extended to all senior management and to the staff of one of the project groups within the ECGD.

Senior management in London and Cardiff have access via videotext terminals on their—and their secretaries'—desks to a personal diary database.

Originally looked upon as an easy first step to information processing, the diary systems quickly proved to be invaluable.

Each manager's diary entries are available for all to see—colleagues and staff—to help make appointments, organise meetings and so on. Though other colleagues cannot, of course, make diary entries, they can leave a message in a colleague's personal electronic mailbox.

The feature is fast gaining favour over the slower internal post system. Time-wasting calls to ascertain a colleague's availability have plummeted, too.

The implementation of a main management information database is achieved by linking the GEC 4000 Series videotext computer directly with an IBM computer in Cardiff. This link has begun to draw regularly upon information on the overall performance of the ECGD.

Information is typical of any commercial enterprise—summary details of exports guaranteed (orders), type of guarantee and market, premium (sales) incomes, claims (debts) recovery incomes and so on.

The GEC equipment links to the IBM system by leased telephone line between London and Cardiff. It uses its own 3270 emulation and hosting software to take data from the IBM system and convert it into videotext tree formats to provide interrogation sequences by end-users.

Managers can now screen the up-to-date position of various aspects of the ECGD's business.

The current development is to be extended to provide a similar information database and diary system to the department's nine regional offices.

They will be linked to the London GEC computer via the telephone network through the London SL-1 PABX.

● **Electronic reporting:**

The other aspect of the information system is "tactical" project control—work similar in principle to that met in many service and construction industries.

On a day-to-day basis, staff can use the screens to quickly calculate the premiums necessary for various projects. This takes in the variables inherent in any insurance undertaking and uses information held in the videotext database.

Many of the ECGD's guarantees in the project field may take months to negotiate. To keep close control over the progress of complex negotiations, the department monitors its involvement and information is passed on to the officials concerned.

Previously this was done by laboriously compiling weekly, monthly and quarterly returns. Now, as part of the pilot, one element of the database has been designated to hold the data relating to project guarantees under negotiation. This enables detailed information to be available immediately.

Regular work-returns may then be produced by conventional data processing reporting and, more importantly, the system can easily report when "exception" conditions occur.

● **Word processor link-up:**

The WPs will be able to transmit to and receive information from the GEC computer for translation to and from videotext format, into A4 page format.

Links with the word processors are straightforward, as the machines (made by Convergent Technologies, with which GEC has a marketing agreement) and the GEC software people can control the interfacing from both ends.

Application

A useful application of this principle will be used on the weekly reports to which managers add personal comments on issues not shown up by the information on file.

ECGD is now awaiting the availability of teletext to streamline text communications between London, Cardiff and the regions.

Mr Baird explains: "The full content of our guarantee legal documentation is not held on videostar V system, because that would only get in the way of the operational information, and add enormously to the cost for no real benefit.

"Most guarantee documents within the pilot area are produced by word processors and, as such, lend themselves ideally to teletext transmission."

"Our user-demand is now leading the information's system's abilities, which we regard as a healthy sign," comments Mr Baird.

"We are hoping to link the GEC computer on-line to the IBM permanently for requests from the videotext screens, for information held in the IBM. The GEC computer will act as gateway to the IBM database.

"Already, the information which management and staff report they would find cost-effective from the system, make that link feasible."

One reason for the swift interest by managers in the system is due to its ease of use.

"We had totally inexperienced people operating their desk terminals, after only an hour or two of instruction," adds Mr Baird.

"The rest was self-instruction, using the screen prompts. Even updating of information is a guided step-by-step process included in GEC's videotext software."

Michael Wiltshire

UK COMPANY NEWS

N. Sea expansion to boost I C Gas

Imperial Continental Gas Association yesterday gave details of the acquisition by its 59 per cent owned subsidiary Century Power and Light, of half the North Sea interests of the British Electric Traction Company with effect from December 31 1983. The consideration, excluding production profits prior to January 1 1984, amounts to approximately £28m, and will be financed by long term borrowing.

The BET interests include a 5 per cent participation in the Maureen Field, which increases the Century stake from 9 per cent to 11.5 per cent.

The acquisition follows the recent acquisition by Century of a 0.25 per cent stake in the Forties Field, at the striking price set by BP of £7.5m, and reflects the company's policy of expansion in the North Sea whre it already has substantial interests.

The other shareholders in Century are London Merchant Securities, TR Industrial and General Trust, and TR Trustees Corporation.

Mr Jim Stretch, a director of IC Gas, said yesterday that the Mauren Field had attained peak production of 90,000 barrels per day earlier than expected. He aded: "The field is performing much better than we dared hope."

At the same time as announcing the Mauren acquisitinn IC Gas reported a cut in taxable losses from £1.77m to £1.07m in the first half to September 30 1983. Turnover advanced by £10.96m to £204.7m.

However the directors of this holding company, with interests in the fuel and power industries and the manufacture and supply of compressed air equipment, point out that, as on previous occasions, interim figures provide little guidance to the outcome of the year.

Most of the group's activities are seasonal and income from UNERG—through which a major part of the group's utility interest is held—and dividend income from Petrofina and Intercom are not included in the first half. In the previous 12 months pre-tax profits fell by 6 per cent to £38.5m.

In fact, the interim figures are even less indicative than usual, as the second half will be significantly improved by the Maureen and Forties acquisitions.

The interim dividend is being lifted from 3p to 4p net per £1 share to reduce the disparity between it and the final. For the previous year a total of 10.6p was paid from earnings per share of 22.53p. First half losses were reduced from 2.11p to 1.53p.

Trading profits for the six months rose £11.66m to £12.97m, while pre-tax profits were struck after depreciation of £12.06m (£10.65m) and net interest payable of £5.68m (£6.39m), and included associates income of £3.09m (£3.12m) and income from investments of £618.000 (£490,000).

Turnover of the subsidiaries in the Calor Group rose by 11.8 per cent to £108.58m and the *trading profit was £2.81m higher* at £6.98m, mainly as a result of improved margins and lower redundancy costs. Depreciation and interest charges rose reflecting increased levels of capital expenditure.

Meanwhile turnover of CompAir Group fell by 3.2 per cent to £84.93m and trading profit declined sharply from £7.32m to £4.23m, reflecting adverse trading conditions which led to intensified price competition particularly in the construction sector.

In the oil operations group turnover attributable to Century Power and Light, in which IC Gas has a 58.8 per cent interest, rose by £544,000 while turnover from the group's onshore operations in North America was up from £103,000 to £1.42m. This reflects the acquisition of Amcana Oil Corporation in April 1983, the directors say. Trading profit rose from £439,000 to £1.93m

There was a small increase in turnover in the Belgian group which was attributable to higher sales by specialised transport concern Coulier Group and higher property rental income. However trading profits fell by £147,000 and depreciation was slightly higher.

Group tax for the six months took £751,000 (£882,000) and after minority interests of £172,000 (£74,000) the attributable loss came to £1.99m (£2.73m).

● comment

Just in case anyone got the wrong impression from these figures, *involving a small loss,* IC Gas itself points out that "figures for the halt year provide little guidance concerning the outcome for the year." However even the company's brokers are sticking their necks out and predicting a full year outturn of £48m. They were no doubt *encouraged by the performance* of Calor, which managed to increase trading profits by over £2.8m, apparently purely through greater efficiency. That must augur well for the crucial second half. Compair has clearly been finding life less easy, although the company now discerns a levelling off in the trend of price discounting, particularly to its industrial customers. But the big story is oil. The aquisition price of the BET interests revealed yesterday, implies profits attributable to its stake in Maureen of £2m from September 14 to the end of the year. It appears that Maureen has reached peak production of 90,000 b/d far quicker than expected, and off only six of the scheduled 12 production wells. With that sort of income flow, combined with that from its *0.25 per cent stake in Forties,* IC Gas is clearly set on an intensified exploration and appraisal programme on Andrew, Tiffany and Joanne. It *appears that the results of first* appraisal well on Andrew will be known by the end of the year. In any event, its gas production has been pre-sold to BGC, at a *price* believed to be in the region of 23p per therm.

Associated Paper better than forecast

Associated Paper Industries beat its forecast for the year to October 1 1983.

At mid-term pre-tax profits were down from £1.26m to £905,000 and, announcing a rights issue in September, the directors said they expected the full year's outcome to be similar to the £2.27m for the previous 12 months. However, in the event this turned in £246,000 higher at £2.52m.

The group converts paper, film and aluminium foil and the directors report that plans to create a significant business in air and liquid treatments took a step forward with the acquisition of Diffusion Radiator Co, a manufacturer of air conditioning, ventilating and heating equipment.

Profits of this company are included in group results since July and the directors state that the *purchase of Airpel Filtration* and Airpel Hydraulics in October represents a further move into this market, which they describe as offering considerable *opportunities.*

The opening weeks of the current year for the group have been in line with expectations and the outlook is good.

Towards the end of the 12 months under review, benefits from product development work at the converting companies began to show through and new *plant in the stamping foil* companies started regular production.

Sales for 1982-83 advanced from £35.03m to £37.27m and trading profits pushed ahead from £2.6m to £2.74m. These were after distribution costs of £876,000 (£812,000) and selling and administration expenses of *£3.32m (£3.35m), whereas the* pre-tax figure followed interest of £229,000 (£331,000).

Tax absorbed £588,000 (£367,000) for basic earnings per *25p share of 13.3p (13.2p)* fully diluted and 12.8p (14p) basic with tax charge on a nil distribution basis. As projected at the time of July's rights issue, the final dividend is 3p for a 4.2p (3.8p) net total.

There were no extraordinary credits this time compared with £139,000 for the corresponding period, while on a CCA basis the pre-tax figure is given at £1.88m (£1.57m).

● comment

Associated Paper Industries has gradually been lessening its dependence on its traditional paper making business, now accounting for about 25 per cent *of sales.* About 50 per cent is in paper converting, the product aimed principally at posters, cigarette boxes, crisp packets, etc. The rest is in the general area of filtration, through Purification Products, which dissipates smells (through impregnating the inner soles of sports shoes, for example); Diffusion in for three months; and, in the current year, air conditioning from the recent acquisition of Airpel. The effects of the recent rights issue and acquisition will leave the company roughly ungeared with the potential and ambition for further purchases. Any dilution of earnings post rights, should be made up in the current year when pre-tax profits of around £3.5m seem attainable. That puts the shares up 7p at 114p on a prospective actual tax p/e of 7.5.

Herman Smith rights to raise £1m

Herman Smith, the manufacturing and electrical engineering company, is to raise £1m by way of a 5 for 11 rights issue at 32p per share.

This represents a discount of over 25 per cent to the previous market price of the existing shares, which yesterday fell 2p to 41p.

In giving its reasons for the issue, the company said that over the past two years substantial sums have been spent on providing resources for Herman Smith Hitco, in which Herman Smith has a 51 per cent stake.

The majority of this expenditure has been funded by short-term bank borrowings.

Certain directors and major shareholders have agreed to renounce in favour of ICFC a total of 2,106,286 ordinary shares, to which they will become entitled following the rights.

Other directors and shareholders have agreed to subscribe for 201,567 shares, while the remainder of the issue has been underwriten by Investors in Industry *Corporate Finance.*

As a result of these arrangements, subsidiaries of Investors in Industry Group will hold at least 20.8 per cent, and as much *as 29.3 per cent of the* enlarged capital of Herman Smith.

The brokers to the issue are Harris Allday Lea and Brooks.

Premier Consd. profits reduced

NET PROFITS of Premier Consolidated Oilfields fell from a restated £873,000 to £290,000 in the six months to September *30 1983.*

Turnover for the period rose to £2.37m, against £2.25m, and profits from exploration and production increased by £29,000 to £400,000. Overall pre-tax surplus was down at £696,000, compared with £1.39m.

This resulted from a cut in dividend interest to £424,000 (£687,000), a loss of £88,000 (profit £27,000) from the oil futures business, and an unrealised exchange loss of £40,000 against a restated £309,000 profit. Tax for the period absorbed £406,000 (£521,000).

In the year to the end of March turnover totalled £4.79m and pre-tax profits, including a £903,000 oilfield sale profit and a £1.15m exchange gain, were £4.15m.

Mr Roland Shaw, says that the improvement in exploration and production reflects increased gas production in Italy, an improvement in Trinidad oil profits, relatively unchanged oil income in the North Sea Piper field and the Greek Prinos field, while U.S. cash flow is lower following the sale of the Midway Sunset oilfield.

The oil futures business, Premier Man, of which the company owns 50 per cent incurred start-up losses in connection with its U.S. subsidiary.

Trading in London crude oil futures *is* expected to *significantly* increase business volume. Net profit after tax reflects the artificial changes as well as lower income consequent on reduced *interest* rates, *he says.*

Negotiations with British Gas Corporation for its Wytch Farm interests are nearing conclusion, he states.

In the Central Graben area of the North Sea, Premier is about to test its well 29/8B-2, and the results should be released shortly. Also a technical and financial team was touring the Fyzabad field in Trinidad last week in order to prepare for steam flooding. The Italian gas well, Molino No 1 has encountered a substantial paleocene gas sand and is being drilled deeper into the limestone.

The acquisition of the Venture Oil Company was completed at the end of November and Premier, by issuing shares valued at *£3.54m, acquired licence interests* in block 12/23, 99/12 and 99/13 as well as some £2.2m in cash.

Chapman Industries recovering

First half taxable profits of envelope maker Chapman Industries recovered from £44,000 to £311,000, thus continuing the progress made in the previous second half when the company finished the year with profits well ahead at £629,000 compared with £259,000.

With earnings per 50p share rising by *2.94*p to *9.31*p, the interim dividend for the 26 weeks to October 1 1983 is being lifted from 2p to 2.2p net. For the year before a total of 7.5p was paid.

The directors say all subsidiaries participated in the improvement and West Midlands Envelopes made a profit contribution ahead of expectations in the two months following its acquisition at beginning of August.

In recent months, trading conditions in the group's principal market have tended to deteriorate, the directors report. However, it continues to benefit from new developments and investments which are enabling it to maximise its opportunities.

Trading profits advanced from £88,000 to £358,000 while interest charges came to £47,000 (£44,000). After tax of £48,000 (credit £109,000) net profits emerged at £263,000 (£153,000).

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Wednesday December 14 1983

Danish bank launches £50m FRN issue, Page 44

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WALL STREET

Retail sales underline rate fears

THE ANNOUNCEMENT of a sharp increase in U.S. retail sales in November intensified Wall Street's fears of renewed inflationary pressures yesterday, bringing further rises in both long and short-term rates for U.S. Treasury securities, *writes Terry Byland in New York.*

Leading stocks tried to resist the setback in the bond market but lost ground towards the end of the session. Dealers commented that year's end tax selling in the stock market is now nearing completion and that yesterday's relatively steady performance from stock prices may indicate that this sector could move independently of bonds for a while.

The Dow Jones industrial average ended a net 5.70 down at 1,255.89 after the market had abandoned a mid-session rally which took the Dow Jones to 1,261.99. Airline issues continued to attract buyers.

The rise of 1.9 per cent in November retail sales was well above market forecasts, despite the growing evidence of a very strong opening to the Christmas selling season at the major retailers.

Some sources had predicted a rise of only 0.7 per cent in retail sales, after a 1.1 per cent gain in October.

The bond market opened lower, with the key long bond falling below par value for the first time since mid-August. Treasury bill rates jumped by as much as 12 basis points.

The sharp rise in rates strengthened fears that either interest rates will forge ahead of their own accord in the New Year or the Federal Reserve will be obliged to raise them to fight off inflation.

The stock market was in two minds. While the setback in bonds and the prospect of higher interest rates bode ill for stocks in the medium-term, higher earnings from the retail and kindred companies could act as an immediate spur to the stock market.

The stock market's resistance to bond market weakness was encouraged by comments from Mr Malcolm Baldrige, the Commerce Secretary, that the rise in retail sales indicates an "excellent" outlook for a sustained expansion of the economy.

Once again, American Express, a further $¼ down at $25⅝ in heavy trading, proved a weak spot as the market digested the board's warning of a 10 per cent fall in earnings this year because of problems at the insurance subsidiary.

Steadiness in IBM, $¼ higher at $124¼, helped the rest of the market. Teledyne jumped $2⅞ to $136⅞. Diebold, at $77, recouped $1 of recent losses.

In heavy industrial stocks, General Electric put on $1¼ to $58. Xerox at $50½ was $½ better on the announcement of its further expansion into financial services, via the acquisition of a privately held investment banking firm.

Persistent doubts over the outlook for car sales, reiterated by some brokerage houses in their comments on November's retail sales outcome, left General Motors at $74⅜ and Ford at $41½, both $½ down, and Chrysler $⅛ off at $28⅞.

AT&T stocks again led the active list, the old $½ up at $64½ and the new $¼ down at $19.

Other active issues included Baxter Travenol, $¼ down at $22¾ in further response to last week's bearish report by a major brokerage house. But G.D. Searle, another pharmaceutical group, depressed recently by bearish comment, traded at $43½, a gain of $⅝.

Turnover in the credit market was restrained with investors continuing to stay on the sidelines. But rates were quickly adjusted to take account of the reception accorded to the November sales figures. Three-month Treasury bills, discounted at 9.07 per cent, jumped nine basis points while the six-month at 9.27 per cent discount showed a gain of 12 basis points.

The key long bond opened at 99 23/32 and could make no recovery, with the yield a shade above the coupon rate of 12 per cent.

EUROPE

Amsterdam performs an encore

A REPEAT performance in Amsterdam yesterday took share levels to another record high for the sixth time in eight sessions on the strength of foreign investors and interest in international stocks.

The ANP-CBS index, calculated at midday, gained 0.5 to 148.6 with advancing stocks outnumbering declines by 102 to 61.

KLM was particularly sought by U.S. buyers, who were more appreciative of the airline's healthy November traffic figures than local investors. KLM added Fl 4.50 to Fl 193.50, a high for the year.

Other Dutch internationals to benefit from overseas attention were Akzo at Fl 88.7, up 40 cents, and Philips 20 cents stronger at Fl 41.8. Royal Dutch, however, shed 80 cents to Fl 135.80.

Continued on Page 36

TOKYO

Speculatives caught in the fray

A SHARP downturn for high-priced issues and more sacrifice selling of speculative stocks sent the Nikkei-Dow average below 9,400 in Tokyo yesterday, against growing investor concern over the general election on Sunday and the yen's fall against the U.S. dollar, *writes Shigeo Nishiwaki of Jiji Press.*

The Dow index of 225 select issues lost 56.44 to finish at 9,385.56, the first close below the 9,400 level since December 2. Declines outnumbered advances 440 to 222, with 215 issues unchanged. Volume dwindled further to 274.41m shares from Monday's 295.90m.

New funds virtually stopped flowing into the stock market, discouraged by the yen's fall, terrorist attacks in Kuwait, and intensified pre-election nervousness.

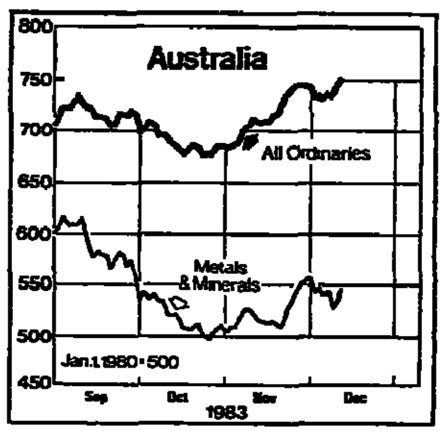
The broad decline was paced by heavy selling of speculative issues, which slipped after rising on strong margin buying since last summer. Aoki Construction suffered a limit loss of Y50 to Y700, while Tokyu Construction dropped Y30 to Y378, Godo Shusei Y30 to Y535 and Sumitomo Metal Mining Y15 to Y965.

Many high-priced stocks also surrendered Monday's big gains. Fanuc was down Y600 to Y10,200, Kyocera Y60 to Y8,850 and TDK Y30 to Y5,320. Among international populars, Hitachi lost Y15 to Y799, Fuji Photo Film Y40 to Y1,970, NEC Y30 to Y1,370 and Toyota Motor Y30 to Y1,440.

Toshiba, up Y5 at Y395, was again the volume leader with 21.56m shares changing hands. Nippon Soda gained Y13 to Y638 and Domatsu Y12 to Y522.

The bond market continued to draw support from improved supply and demand conditions. Even marginal rises in bond yields from their current record low levels were immediately followed by buy offers.

The yield on the benchmark 7.5 per cent government bond due in January rose slightly on the yen's weakness in the morning, but closed lower at 7.505 per cent from Monday's 7.52 per cent.



AUSTRALIA

Flotation encourages euphoria

A EUPHORIC stock exchange reception to the Australian Government's decision to float the dollar saw the share market establish record highs yesterday, *writes Lachlan Drummond in Sydney.*

The All-Ordinaries index, the broad market indicator, closed 7.4 up at 751.2, to eclipse the previous record of 746.2 set on November 17, 1980.

With the Australian dollar slipping back 1.135 cents against the U.S. currency to close at 89.85 U.S. cents against last week's expectations of a significant appreciation, share traders took a shine to base metal miners and other groups dependent on export income or with significant offshore operations.

But it is more a mood of freedom than share market fundamentals that has encouraged the exchanges, as well as the injection of more than A$450m in traders' hands from Elders IXL's purchases of Carlton and United Breweries shares in the past week.

Indeed, a rush of buying for the new owner of the brewer saw its share price recover by 6 cents to A$4 on total turnover of almost A$8m, which provided a large slice of total trading value of about A$63m.

Meanwhile, in attaining its new peak, the All Ordinaries index has displayed a reversal of market priorities, with the impetus coming from the index's industrial component rather than the resources sector, which fuelled the previous peak level three years ago.

The All Industrial index reached new ground in May and, by adding 7.6 to 973 yesterday, is up by 54 per cent from the beginning of the year and 216 better than the pre-1983 peak which was set in April 1981.

The All Ordinaries, too, is up 54 per cent from its January level of 487.8, while the All Resources segment is languishing at 574.7 (up 7.1 on the day), 262 below its November 1980 record and 42 below its year best set in September.

However, it has gained 48 per cent so far this year at its current level and clearly has considerable scope for improvement should metal prices move ahead strongly.

In any case yesterday saw base metal miners score some of the best rises with the encouraging currency movement.

BHP, meanwhile, gained 15 cents to A$14.10 adding A$50m to its market capitalisation, which now stands just short of A$4.9bn.

Trading in Thomas Nationwide Transport was heavy, with some indications that News Corp was unloading its holdings. TNT gained 7 cents to A$2.30.

The enthusiasm of brokers at the end of trading was unbounded and, while one or two cautious souls spoke of profit-taking and fundamentals, they remained unshaken in their belief that while the market may turn lower before Christmas, the traditional Australian New Year share market recovery would leave the 750 level for the All Ordinaries index as a mere reference point as they charted untried ground.

SINGAPORE

STATEMENTS by the Malaysian Prime Minister, Mahathir Mohamad, that the constitutional crisis could be resolved boosted Singapore trading yesterday and left the Straits Times index 21.22 higher at 987.26.

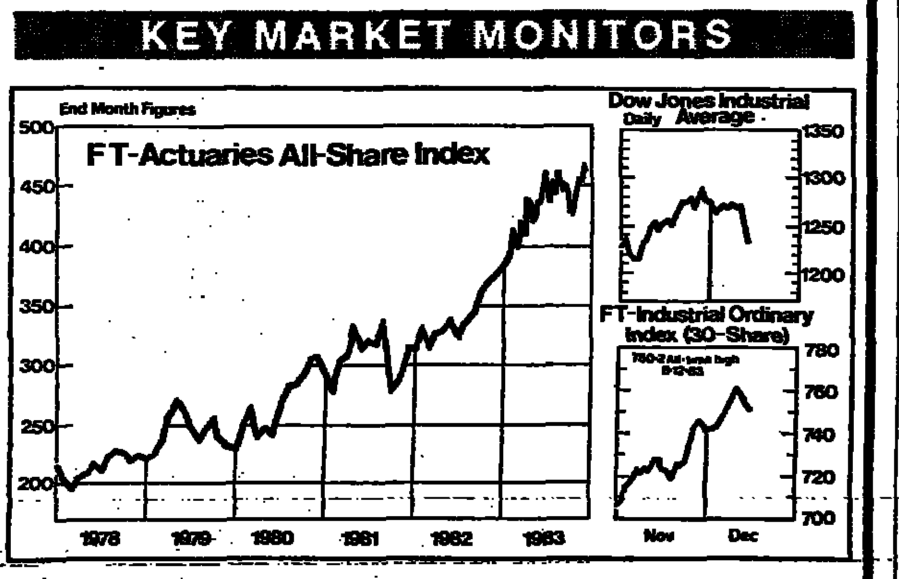
Banks were strong, with DBS 25 cents up at S$10.00

HONG KONG

PRE-CHRISTMAS caution emerged in Hong Kong yesterday as share prices increased slightly in thin trading. The Hang Seng index gained 6.07 to 862.81.

Hutchinson Whampoa was featured again, partly due to North American interest, and closed 20 cents up at HK$14.20.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Dec 13	Previous	Year ago
NEW YORK			
DJ Industrials	1255.89	1261.59	1024.28
DJ Transport	604.45	604.45	444.24
DJ Utilities	134.15	134.44	118.03
S&P Composite	164.93	165.62	139.95
LONDON			
FT Ind Ord	750.60	753.70	596.50
FT-A All-share	463.50	463.85	381.51
FT-A 500	494.55	495.20	422.33
FT-A Ind	528.64	456.08	394.50
FT Gold mines	584.30	573.10	523.00
FT Govt secs	82.43	82.51	78.90
TOKYO			
Nikkei-Dow	9385.56	9442.38	7885.57
Tokyo SE	695.30	699.47	580.25
AUSTRALIA			
All Ord.	751.20	743.80	473.50
Metals & Mins.	547.60	539.40	399.10
AUSTRIA			
Credit Aktien	54.23	54.22	48.53
BELGIUM			
Belgian SE	132.81	131.63	99.70
CANADA			
Toronto Composite	2538.6	2536.30	1858.80
Montreal Industrials	445.48	444.78	313.93
Combined	428.70	427.61	311.48
DENMARK			
Copenhagen SE	198.46	195.81	90.70
FRANCE			
CAC Gen	151.90	151.50	100.50
Ind. Tendance	163.10	162.60	120.00
WEST GERMANY			
FAZ-Aktien	343.77	344.06	247.35
Commerzbank	1015.70	1016.30	747.50
HONG KONG			
Hang Seng	862.81	856.74	777.04
ITALY			
Banca Comm.	182.78	185.10	166.30
NETHERLANDS			
ANP-CBS Gen	148.60	148.10	99.30
ANP-CBS Ind	122.00	121.70	82.20
NORWAY			
Oslo SE	215.42	214.29	99.98
SINGAPORE			
Straits Times	987.26	968.04	746.74
SOUTH AFRICA			
Golds	850.30	849.90	859.50
Industrials	929.80	927.00	723.60
SPAIN			
Madrid SE	121.10	122.50	97.96
SWEDEN			
J & P	1499.09	1514.89	841.74
SWITZERLAND			
Swiss Bank Ind	371.50	370.50	280.20
WORLD	Dec 13	Prev	Yr ago
Capital Int'l	181.10	180.70	151.10

GOLD (per ounce)

	Dec 13	Prev
London	$389.375	$391.625
Frankfurt	$390.00	$391.50
Zürich	$389.75	$391.75
Paris (fixing)	$391.24	$389.76
Luxembourg (fixing)	$389.80	$390.35
New York (Dec)	$390.30	$390.40

** Indicates latest pre-close figure*

CURRENCIES

(London)	U.S. DOLLAR Dec 13	U.S. DOLLAR Previous	STERLING Dec 13	STERLING Previous
$	–	–	1.4195	1.431
DM	2.768	2.753	3.9325	3.9425
Yen	236.25	236.5	335.5	338.75
FFr	8.45	8.3925	11.9925	12.005
SwFr	2.22	2.2125	3.1525	3.1675
Guilder	3.1055	3.0855	4.41	4.4175
Lira	1675	1667.0	2377.0	2385.00
BFr	56.19	55.85	79.75	79.95
C$	1.25025	1.24825	1.7745	1.7855

INTEREST RATES

	Dec 13	Prev
Euro-currencies (offered rate)		
£	9 9/16	9½
SwFr	4 11/16	4½
DM	6 7/16	6⅜
FFr	13½	12⅞
FT London Interbank fixing (offered rate)		
3-month U.S.$	10⅜	10¼
6-month U.S.$	10½	10 7/16
U.S. Fed Funds	9 7/16*	9 9/16
U.S. 3-month CDs	9.95	9.70
U.S. 3-month T-bills	9.09*	8.97

U.S BONDS

Treasury	Dec 13 Price	Dec 13 Yield	Prev Price	Prev Yield
10⅝ 1985	99 17/32	10.88	99 19/32	10.75
11½ 1990	98 17/32	11.85	99 29/32	11.58
11.75 1993	99 9/32	11.91	99 11/32	11.86
12 2013	100 1/32	11.99	99 15/32	11.93
Corporate	**Price**	**Yield**	**Price**	**Yield**
AT & T				
10⅜ June 1990	92⅝*	12.00*	92⅝	12.05
3⅝ July 1990	67½*	10.95*	67½	10.95
8¾ May 2000	75¾*	12.20*	76	12.15
Xerox				
10⅜ March 1993	91⅜*	12.20*	90⅞	12.30
Diamond Shamrock				
10⅜ May 1993	89½*	12.55*	89½	12.55
Federated Dept Stores				
10⅜ May 2013	86.417*	12.35*	85⅝	12.45
Abbot Lab				
11.80 Feb 2013	95.847*	12.35*	94.90	12.45
Alcoa				
12¼ Dec 2012	95.085*	12.90*	94.724	12.85

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT)				
8% 32nds of 100%				
December	69-22	69-26	69-19	70-09
U.S. Treasury Bills (IMM)				
$1m points of 100%				
December	90.97	91.00	90.96	91.06
Certificates of Deposit (IMM)				
$1m points of 100%				
December	90.19	90.30	90.19	90.34
LONDON				
Three-month Eurodollar				
$1m points of 100%				
December	89.41	89.52	89.41	89.55
20-year Notional Gilt				
£50,000 32nds of 100%				
December	108-00	108-20	108-00	109-10

COMMODITIES

(London)	Dec. 13	Prev
Silver (spot fixing)	657.55p	660.30p
Copper (cash)	£999.00	£1005.50
Coffee (Jan)	£2114.50	£2034.00
Oil (spot Arabian light)	$28.27	$28.25

LONDON

Oil shares pick up most of losses

LEADING OIL shares reacted nervously in London to reports from New York, later denied, that the British National Oil Corporation planned to cut its North Sea oil price.

Blue-chip issues initially moved down in sympathy but oils picked up most of their losses by the end of the day. The Financial Times Industrial Ordinary index ended 3.1 down at 750.6.

Elsewhere, Eagle Star was again active gaining 18p to 715p ahead of Allianz's increased bid, due today. In food retailing, Bishop's Group shed 30p to 210p after receiving recommended bid terms from Booker McConnell.

Government securities again gave ground with closing losses in long dated issues ranging to ⅜ and those for shorter dated stocks around 3/16.

The strong showing by the U.S. dollar against sterling prompted widespread gains among South African golds but turnover in Australians was restrained by erratic movements in the Australian dollar against the U.S. and UK currencies.

Details, Page 37; Share Information Service, Pages 38-39

SOUTH AFRICA

ALL SECTORS suffered from a lack of direction in Johannesburg and shares ended mixed after a very quiet day's trading. Among gold shares, Buffels rose 50 cents to R68 and Geduld 75 cents to R44.75.

Two members of the Gold Fields group, for which unchanged interim dividends were announced, moved in opposite directions. Driefontein added 25 cents to R37.75 while Doornfontein fell the same amount to R27.

Elsewhere in minings, Rustenburg Platinum shed 20 cents to R12.70 and De Beers was 10 cents easier at R9.20.

Industrials were narrowly mixed but with a firmer bias.

CANADA

GAINS POSTED by consumer product issues in Toronto were balanced by widespread weakness in the metals and mining, gold, and oil and gas sectors, leaving shares mixed.

The strength in consumer products was attributed to higher third quarter earnings from Seagram, which added C$⅝ to C$46⅝.

Montreal was marginally ahead with small advances recorded in banks, utilities and industrials.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev Close
17¾	8⅝	AAR	.44	3.0	19	183	14⅝	14	14⅝	+⅞
52⅞	29½	ACF	1.40	2.8	240	15	50⅝	50⅜	50⅜	
16⅞	14¾	AMF	.50	3.1		1156	16⅛	15⅝	16	+⅛
39⅞	18½	AMR Cp			16	7199	37⅞	36½	36⅞	+⅜
19½	15	AMR	pf2.18	12.		32	18⅝	18⅜	19½	+⅛
40¼	24⅞	AMR	pf2.13	5.5		1020	39½	37⅞	38⅜	+½
16¼	3⅞	APL			23	57	15¾	15¼	15¼	+½
56¼	33¼	ARA	2.05	4.0	11	136	51⅞	51⅛	51½	+¼
78⅞	50⅜	ASA	3a	5.3		252	58⅞	58⅜	58¼	−½
33¼	14	AVX	s .32	1.2	39	67	26¼	25¾	25¾	−1⅛
53⅛	35⅞	AbtLab	1	2.2	17	3382	45½	44⅞	45⅛	+⅞
30⅞	23⅜	AccoW	n.60	2.2	20	74	27½	27½	27½	
27½	16¾	AcmeC	.40	1.5		23	26	25¼	25⅞	−¼
14⅝	7⅞	AcmeE	.32b	2.7	600	17	12	11⅞	12	
24⅞	8⅛	AdmDg	.04	.2	18	11	21	20¼	20¼	
18⅜	15	AdaEx	1.73e	9.6		29	18½	18	18	
18⅜	7¼	AdmMl	.24	1.5	8	69	16	15¾	16	+¼
18⅝	8⅜	Advest	.12	1.0	8	134	12⅞	12⅞	12⅞	
35½	11⅛	AMD	s		58	3178	34	33	33	−¼
24⅝	12⅞	Agnfa	s		17	73	16⅞	16½	16⅞	+½
43½	32⅞	AetnLf	2.64	7.2	9	1120	36⅞	36¼	36½	+¼
65	55⅝	AetL	pf5.09e	8.9		4	57⅛	56⅞	56⅞	
40½	22½	Ahmns	1.20	4.2	8	732	28½	27⅞	28¼	+⅛
7½	2⅛	Aileen				85	5¼	5	5⅛	
51	31	AirPrd	1	2.2	13	227	46½	45	46	−⅛
30⅞	13⅝	AirbFrt	.60	2.1	23	154	28⅞	28½	28½	−⅛
2½	1½	AlMoa	s		24	544	u2⅝	2½	2⅝	+⅛

Continued on Page 35

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 36

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 34

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
43½	22	Wometc	44	1.0	27	127	[illegible]	[illegible]	[illegible]	+ ¼
25½	18¼	WoodPr	60	2.5	17	90	24⅛	23⅞	24	− ⅛
39¼	22⅞	Wolwth	1.80	4.9	11	305	36⅞	36⅛	36⅞	
7⅞	2⅞	WrldAr				20	5⅛	5⅛	5⅛	− ⅛
56¼	38½	Wrigly	1.44a	2.7	10	21	53¾	52⅞	53⅝	+ ⅛
8¾	3¼	Wurltzr				28	8¾	8⅝	8½	+ ⅛
24⅞	6½	WyleLb	24	1.0	33	76	24	23⅝	24	+ ⅛
17⅜	9	Wyly				76	11⅛	11	11⅛	− ⅛
22⅜	14	Wynns	60	3.2	17	16	19⅛	19	19	− ⅛

Continued on Page 36

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

EUROPE

Amsterdam performs an encore

Continued from Page 33

Elsevier recovered some earlier losses and finished Fl 5 stronger at Fl 470, while VNU, at Fl 121, gained Fl 2.

Gist-Brocade, the biotechnology group, was relatively active prior to the closing of subscriptions tomorrow for its two-for-one rights issue. It closed Fl 1.50 firmer at Fl 160.50.

Aegon, the insurance group, was a focus of some attention although its share price remained unchanged at Fl 109.50 at the close, while banks were quiet with *ABN 50 cents higher at Fl 368.50.*

The domestic bond market was 20 to 30 cents lower prior to the late announcement of the Government's final bond tender offer of the year.

Most sectors in **Paris** finished mixed although the CAC General index, calculated at midday, reached a record 151.90, up 0.4 helped by the continued liquidity from share savings accounts which have a limited time to take advantage of Government tax incentives.

Profit-taking hit Moët Hennessy, trimming FFr 5 of its previous session's FFr 33 gain, to close at FFr 1,415. Pernod Ricard held steady at FFr 749 as did Perrier at FFr 439.

Elsewhere, L'Oreal reversed recent losses with a FFr 10 gain to FFr 2,188 and Matra put on a similar amount to FFr 1,270, while Legrand improved FFr 30 to FFr 2,055.

Overall, motors, portfolios, constructions and engineerings gained on the day while stores, electricals and metals finished lower. Banks and oils were mixed.

Fiscal incentives for shareholders underpinned firmer **Brussels** trading yesterday, with strong gains in utilities and chemicals.

Intercom led utilities with a BFr 35 rise to BFr 1,915 as Electrobel added BFr 50 to BFr 6,200.

Solvay was in the vanguard of chemical issues, putting on BFr 30 to BFr 3,400 but UCB managed only a BFr 20 advance to BFr 4,110.

In steels, Arbed rose BFr 10 to BFr 1,194 with Cockerill-Sambre unchanged at BFr 169.

Early advances in **Frankfurt** were overturned later in the day leaving most sectors mixed in quiet trading. The Commerzbank index eased 0.6 to 1,015.7.

MAN lost DM 2 to DM 134 after announcing a net loss of DM 148.2m for 1982/83 against a DM 31.7m profit for the previous year. Hopes, expressed by the group's finance director, of a return to profit in 1984/85 did not impress investors.

Considerable activity in motors saw Daimler Benz advance again with a further DM 7.4 to DM 658.50 ex dividend, while VW secured a DM 3.80 gain to DM 205.40. *BMW, also strong recently,* put on DM 2.30 to DM 431.80.

Losses during the session included Schering, DM 1.50 lower at DM 362.50, BASF DM 1 off at DM 168.50 and Degussa a similar amount easier at DM 371.

In stores, *Kaufhof* surrendered *DM 4* to DM 265, while Karstadt's decline was limited to DM 1 at DM 284 with Horten unchanged at DM 185.

The Bundesbank entered the domestic bond market with purchases of DM 44.5m compared with the previous session's DM 11.9m. Isolated issues managed gains of 0.20 basis points, but generally U.S. interest rates continued to deter.

Active trading in **Milan** saw widespread losses particularly for the Presenti group. Italcementi plunged L 1,900 to L 37,400 with other declines limited to two and three figures. Banks and holding companies lost ground.

In reaction to last week's wave of buying, prices closed weaker in **Stockholm** with declines outnumbering advances by a margin of four to one.

Some foreign buying in **Zurich** pushed prices higher, although banks were most *unchanged, and foods were mixed.* The domestic bond market was little changed.

Fairly active trading in **Madrid** took prices lower with banks generally weaker.

DENMARK

Dec. 13	Price Knr %	+ or —
Aarhus Olie	420	+5
Andelsbanken	281	+3
Baltica Skand	530	+10
CopHandelsbank	285	+5
D. Sukkerfab	650	-4
Danske Bank	306	+6
East Asiatic	148	+6
Forende Brygg	1,320	......
Forende Damp	180	......
GNT Hldg	535	+5
I.S.S.B.	700	......
Jyske Bank	574	+9
Novo Ind	3,185	......
Privatbanken	288	+6
Provinsbanken	304	+4
Smidth (Fl)	260	......
Sophus Berand	950	......
Superfos	505	+16

FRANCE

Dec. 12	Price Frs.	+ or —
Emprunt 4½% 1973	1,852	+2
Emprunt 7% 1973	9,670	-105
CNE 3%	3,100	-1
Air Liquide	511	-8
BIC	409xc	-1
Bouygues	685	-5
BSN Gervais	2,595	+12
CIT-Alcatel	1,451	-64
Carrefour	1,303	-2
Club Mediter'n	769	+3
CFAO	514	-6
Cie Bancaire	406	+10
Cofimeg	188.5	-1
Creusot Loire	44.9	+0.4
Darty	759	+4
Dumez	862	+2
Eaux (Cie Gen)	532	+2
Elf-Aquitaine	171	-1
Gen. Occidental	676	-5
Imetal	60.3	-0.7
[illegible]	[illegible]	[illegible]

NETHERLANDS

Dec. 13	Price Fls.	+ or —
ACF Holding	186	+2.5
Aegon	109.5	-2.0
Ahold	162	+1
AKZO	88.7	+0.4
ABN	368.5	+0.5
AMEV	150	-0.5
AMRO	61	-0.3
Bredero Cert	180.5	+0.5
Boskalis Westm	40.6	+0.1
Buhrmann-Tet	55	+0.5
Caland Hldgs	33.6	+0.5
Credit Lyon'is Bk	40.1	+0.1
Elsevier-NDU nv	470	+5
Gist-Brocades	160.5	+1.5
Heineken	127	-0.5
Hoogovens	40.3	-0.4
Hunter Douglas	21.4	-0.1
Int-Muller	33.8	+0.3
KLM	191.9	+2.9
Naarden Intl	40.7	+0.7
Nat Ned Cert	188	+1
Ned. Credit Bank	32.6	+0.1
Ned Mid Bank	142	-1
Nedlloyd	110	-0.3
Oce Grinten	237.0	-0.5
Ommeren (Van)	33.4	-0.1
Pakhoed	54.9	+0.9
Philips	41.8	+0.2
Rijn-Schelde	3.8	-0.1
Robeco	326.5	-0.5
Rodamco	129.5	-0.1
Rolinco	316	+2
Rorento	198.1	-0.1
Royal Dutch	135.8	-0.8
Unilever	249.5	+0.6
VMF Stork	87	+1.7
VNU	121	+2
West Utr Bank	102	-0.5

AUSTRALIA

Dec. 13	Price Aust. $	+ or —
ANZ Group	5.9	......
Acrow Aust	1.5	......
Alliance Oil D.	0.65	......
Ampol Pet	1.7	-0.05
Aust Cons Ind	1.89	+0.01
Aust. Guarant	2.8	......
Aust. Nat. Inds	2.65	+0.04
Aust. Paper	2.31	+0.01
Bond Hldgs	1.23	......
Boral	3.35	+0.03
B'ville Copper	2.62	-0.01
Brambles Inds	3.3	+0.05
Brid. e Oil	3.0	+0.01
BHP	14.1	+0.16
CRA	6.86	+0.06
CSR	3.9	+0.02
Carlton & Utd	3.78	+0.03
Castlemaine	5.4	+0.05
Coles (G.J.)	3.97	+0.02
Comalco	2.8	......
Consolidated Pet	0.65	+0.01
Costain	1.35	......
Dunlop	1.57	+0.02
E.Z. Ind.	6.1	+0.1
Elders IXL	4.0	+0.15
Energy Res	1.72	+0.04
Gen Prop Trust	2.12	+0.07
Hardie (J.)	3.62	-0.01
Hartogen Energy	2.55	......
Herald W'y Times	3.0	+0.1
ICI Aust.	2.25	+0.04
Jimb'lana (50cFP)	0.20	......
Kia Ora Gold	0.17	......
Land Lease	4.95	......
MIM	3.8	+0.12
Mayne Nickless	2.82	+0.04
Meekatharra	1.2	-0.05
Myer Emp	2.0	......
Nat.Com.Bk.	3.7	+0.02
News	9.2	......
Nicholas Kiwi	3.25	......
North Bkn Hill	3.15	+0.1
Oakbridge	1.16	+0.04
Otter Expl	0.38	......
[illegible]	[illegible]	[illegible]

CANADA; JAPAN (continued); NORWAY; SPAIN; HONG KONG; GERMANY; SWEDEN; AUSTRIA; SINGAPORE; BELGIUM/LUXEMBOURG; SWITZERLAND; JAPAN; ITALY; SOUTH AFRICA

[illegible]

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 35

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

NEW YORK CLOSING PRICES

Continued from Page 35

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Indices

NEW YORK — DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON / RISES AND FALLS

Dec 13	Dec 12	Dec 9	Dec 8	1983 High	1983 Low		Dec 13	Dec 12	Dec 9
-	-	-	-	442.82 (8/5)	79.79 (24/1)	Issues traded	2828	2025	2823
						Rises	646	784	647
						Falls	951	822	935
						Unchanged	431	419	441

MONTREAL

	Dec 13	Dec 12	Dec 9	Dec 8	1983 High	1983 Low
Industrials	445.46	444.79	442.5	445.25	453.86(5/5)	329.12(4/1)
Combined	428.7	427.81	425.97	428.32	441.29(26/9)	319.46(5/5)
TORONTO Composite	2538.6	2536.3	2531.8	2536.4	2598.3(26/9)	1949.8(4/1)

U.S. INDICES: CLOSING VALUES, YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

AUSTRALIA; AUSTRIA; BELGIUM; DENMARK; FRANCE; GERMANY; HONG KONG; ITALY; JAPAN**; NETHERLANDS; NORWAY; SINGAPORE; SOUTH AFRICA; SPAIN; SWEDEN; SWITZERLAND; WORLD

[illegible]

(**) Saturday Dec 10: Japan Nikkei-Dow (c). TSE (c).
Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrial. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

Apr. 22	Pound Sterling	U.S. Dollar	Deutschemark	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.546	3.788	366.2	11.545	3.185	4.263	2254.	1.897	75.46
U.S. Dollar	0.647	1.	[redacted]						1.227	48.82
Deutschemark	0.264	[redacted]								19.92
Japanese Yen 1,000	[redacted]									206.0
French Franc 10	[redacted]									.51
Swiss Franc	[redacted]									.69
Dutch Guilder	0..	[redacted]								17.70
Italian Lira 1,000	0.44..	[redacted]								33.47
Canadian Dollar	0.527	0.815	1.997	193..	...	1.679	2.248	1188.	1.	39.78
Belgian Franc 100	1.325	2.048	5.020	485.4	15.04	4.221	5.649	2987.	2.514	100.

LONDON STOCK EXCHANGF

MARKET REPORT

Markets unsettled by sterling's continued collapse

Equity index down 3.1 more at 750.6

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Nov 28	Dec 8	Dec 9	Dec 19
Dec 12	Dec 22	Dec 29	Jan 9
Dec 30	Jan 12	Jan 13	Jan 23

* "New-time" dealings may take place from 9.30 am two business days earlier.

A drab session in London stock markets was yesterday considerably enlivened by afternoon reports emanating from New York that BNOC is prepared to lower the price of North Sea oil by up to $1 per barrel, perhaps before the end of the year. Leading oils immediately reacted nervously from earlier firm levels and took blue chip industrials down in sympathy. However, calm was restored following a denial from BNOC and prices edged higher.

Leading shares had previously passed a lethargic morning session, holding steady at slightly lower levels on lack of fresh buying incentive. Sentiment remained subdued by disappointment with GEC's statement announced on Monday. Sterling's further sharp depreciation also undermined recent confidence by reviving fears that the pound's plight could jeopardise the Government's inflation projections and, if allowed to continue, might well lead to higher UK interest rates. Seasonal influences also began to make an impact on the volume of business with many brokers' parties now in full swing.

Attention elsewhere was focused on special situation and takeover stocks. Eagle Star were again active awaiting the increased bid that Allianz is to produce by today. Bishop's Group received recommended bid terms from Booker McConnell, while speculative favourite Bellair Cosmetics rose sharply in response to renewed support.

Having sustained a fall of 3.4 on Monday, the Financial Times Industrial Ordinary share index grudgingly gave a little more ground and was 2.6 off at 3 pm on the oil price scare. The close was finally 3.1 down at 750.6, with late sentiment affected by the softer opening tone on Wall Street.

Government securities gave ground for the fourth consecutive trading session, still concerned about the course of U.S. interest rates, the pound's weakness and worries about inflation. Business was thin and closing falls in the longs ranged to ¼, while the shorter maturities were left with losses of around $\frac{1}{16}$. The FT Government Securities index ended 0.08 down, making a four-day fall of 0.90, at 82.43, which compares with the year's high of 83.70 attained just over a month ago.

Eagle Star rise

All four major clearing banks sustained falls of 10 as sellers continued to hold sway, while profit-taking clipped 4 from recently-firm Royal Bank of Scotland, to 175p. In contrast, Grindlays touched 155p before settling 3 dearer on balance at 148p on revived bid speculation. Henry Ansbacher also firmed 3, to 78p, following further developments in the company's U.S. expansion plans.

Eagle Star advanced 18 to 715p anticipating a new offer today from West German insurance group Allianz. Among other Composites, General Accident touched 450p before settling only 3 dearer on balance at 445p. Life issues made another firm showing, Prudential rising 14 to 490p and Hambro Life 8 to 464p. Legal and General and Pearl both gained 10, to 524p and 765p respectively.

Yesterday's two newcomers to the Unlisted Securities Market made quiet debuts; Tyne Tees TV A opened and closed at 138p compared with the placing price of 135p, while plastics concern Johnsen and Jorgensen held at the placing price of 85p. Dealings also started in U.S.-based computer leasing concern Dataserv and the shares closed at 76p compared with the tender price of 75p. Elsewhere in the new issues sector, revived demand in a limited market lifted clothing concern French Connection 18 to 145p; dealings in the shares attract stamp duty from today.

Adverse weekend comment—describing the sector as a "sell"—stified an attempetd rally among Breweries which closed around the day's lowest. Grand Metropolitan, a buoyant market of late, dipped to 340p before settling 8 cheaper on balance at 342p. Allied-Lyons fell 3 to 141p, while Scottish and Newcastle, interim results due today, gave up 2 at 99p. Among Ciders, H. P. Bulmer hardened 3 to 273p; interim figures, also due today, are expected to show pre-tax profits of around £10m.

Meyer International's half-year profits estimates—which ranged up to 18m—proved over-optimistic and, despite the 10 per cent increased interim dividend, the shares reacted to 149p on the liquidation of bull positions before settling a net 4 off at 152p. Magnet and Southerns, due to report half-year results early in the New Year, slipped to 162p before closing 4 cheaper on balance at 164p, while Phoenix Timber, half-timer due tomorrow, softened a couple of pence to 96p. Elsewhere in the Building sector, Burnett and Hallamshire, a depressed market recently, encountered revived support and rose 15 to 155p, but recently-firm Henderson Group eased 5 to 172p John Mowlem hardened a couple of pence to 190p as a line of stock was cleared. The loss at the half-way stage clipped 3 from Beechwood, to a low for the year of 22p.

ICI, a shade easier initially, steadied on currency influences to close without alteration at 650p.

Martin react afresh

The NGA's decision to suspend industrial action against national and provincial titles stimulated occasional support of W. H. Smith A, which rose 4 to 146p, after 148p. NSS announced slightly increased preliminary profits and hardened a couple of pence to 88p, but comment on Monday's uninspiring annual results left Martin The Newsagent 10 cheaper at 145p.

Subdued conditions prevailed among Store leaders Debenhams touched 149p before settling a net 3 up at 147p following Press-inspired rumours of a possible bid from Heron Corporation Burton added 4 more at 412p

Shoes and Leather featured a marked resurgence of speculative buying of FII which advanced 19 to a 1983 peak of 168p.

GEC became a steadier market after the previous day's setback on the interim statement and closed a couple of pence better at 178p. Other leading Electricals took a distinct turn for the better with Racal advancing 10 to 212p and Plessey closing 6 to the good at 230p. Secondary issues provided contrasting features. Cifer stood out with a rise of 19 to 132p ahead of next week's annual results, while Crystalate, reflecting hopes about a possible sale of Royal Worcester, advanced 11 to 188p. First Castle encountered support and put on 7 to 104p. Druck Holdings moved up 15 to 260p in a difficult market. Pressac, a strong market of late, met profit-taking and fell 14 to 187p, while United Scientific, a firm market recently in advance of preliminary results, due tomorrow, came back 12 to 373p.

Leading engineers ended slightly easier. Elsewhere, Triplex Foundries responded to to recovery in interim profits with a rise of 4 to 29p. Press mention left Renold 4 higher at 26p and F. S. Ratcliffe advanced 8 to 50p on talk of a possible injection of assets. Chemring also firmed 8, to 575p, in a limited market, while Smith Whitworth stood out in smaller-priced issues with a rise of 3 to 21p. GM Firth closed a shade easier at 22p after the interim statement. Further details of the proposed rights issue and forecast of no dividend payment in respect of the year to end-October next year left Meggitt Holdings 3 cheaper at 90p.

The emphasis in Food Retailers switched to regionals with several issues attaining new highs for the year. Hillards put on 10 to 264p and Amos Hinton 12 to 292p, while William Morrison gained 6 to 212p. On the bid front, dealers expressed disapopintment with the cash terms offered by Booker McConnell for Bishop's Group; the A shares, briefly suspended at 245p, resumed at 210p and closed 30 down on balance at that level, while the Ordinary shares, suspended at 270p, resumed at 285p and closed at 280p. Booker McConnell hardened a penny to 84p.

Among Hotels and Caterers, a split buying order left Trusthouse Forte 3 dearer at 181p. Stakis hardened 2 to 86p; the company has acquired the Great Tree Top Hotel, Aberdeen, from Bass.

Smiths Industries up

Trading statements brought contrasting features among miscellaneous Industrials. Burns-Anderson responded to the good results and confident view of prospects by rising 2 to 37p, while Dobson Park gained 3 more to 72p, still on Monday's preliminary figures. The chairman's reference to encouraging first four months' trading lifted Smiths Industries 5 to 463p, but Smith and Nephew eased a couple of pence to 163p despite good results in the 40 weeks to October 8 last. Dealings in Trans Continental Services were suspended but were resumed following news of the sale to Inchcape, for £36m, of the company's trade services division; Trans Continental touched 197p before suspension but closed the day unchanged on balance at 190p. The warning of lower second-half profits took RFD down to 80p prior to a close of 83p, only a net penny easier.

Revived speculative demand carried Bellair up 50 to 600p, after 610p, and Associated Telecommunications staged a long overdue recovery to end 9 up at 84p. William Baird gained 8 to 295p and Securicor 7 to 267p. Awaiting tomorrow's interim statement, BET Deferred gave up 5 at 268p but, ahead of Monday's first-half results, Norcros put on 4 at 157p. Elsewhere, British Aerospace slipped 5 to 209p.

Intasun closed a penny dearer at 147p, after 149p, following the satisfactory interim results. Horizon Travel, in sympathy, gained 4 at 152p.

Proceedings among generally lacklustre Papers were enlivened by a batch of company trading statements. Associated Paper stood out with a gain of 7 to 114p following the 11 per cent expansion in full-year profits and increased dividend. Envelope manufacturers Chapman Industries firmed 8 at 223p after the sharp recovery in first-half earnings, but McCorquodale, a rising market recently, eased a couple of pence to 278p despite the 18 per cent increase in preliminary profits.

Leading Properties made an irregular showing. Land Securities firmed 5 to 261p, but MEPC eased 3 further to 262p. Haslemere Estates shed 6 to 470p awaiting interim results due tomorrow.

Dealings in F. Miller, suspended last Wednesday at 42p, resumed yesterday following the share-exchange offer terms from fellow Marks and Spencer supplier Nottingham Manufacturing; Miller traded quietly and closed at 38p which compares with the offer price of around 35½p.

Talk emanating from the U.S. of a possible cut by BNOC in its contract price for North Sea oil by up to $1 a barrel caused a sudden downward flurry in Oil shares. A subsequent reported denial of the suggestions from BNOC, however, saw most quotations rally to close well above the worst, BP ending only a couple of pence cheaper at 392p, after 384p, and Shell closing without alteration at 562p, after 556p. Lasmo finished 3 off at 250p, after 243p, and Ultramar a similar amount down at 617p, after 610p. In contrast, revived hopes of a bid from Heron Corporation left Burmah 3 to the good at 166p, after 170p. Speculative demand prompted a gain of 25 to 265p in Caledonian Offshore, but Atlantic Resources came back 25 to 690p. Elsewhere, IC Gas eased 5 to 233p after the interim results.

Driefontein firm

Currency fluctuations played the major part in the performance of mining markets.

Another strong showing by the U.S. dollar prompted widespread advances among South African Golds, despite a generally quiet trading session.

In U.S. dollar terms, the Gold sharemarket opened easier and drifted easier on Johannesburg and London selling. Translated into sterling terms, this led to a firm opening by Golds which subsequently edged higher throughout the day.

The Gold Mines index, calculated in sterling, rose 11.2 to 584.3. Bullion failed to give much of a lead to share prices, dipping $2.25 to $389.375 an ounce.

The interim dividend declared by the mines in the Gold Fields group were in line with market expectations and had little effect on market sentiment; Driefontein posted an improvement of ½ at £22½. Kloof and Libanon both added ½, at £31½ and £24 respectively, and Deelkraal 3 to 282p, the last-named despite the omission of the interim payment.

Top performers in the remaining heavyweights were Hartebeest, which put on £2 to £50½, and Buffels, £1½ to the good at £39½.

Financials remained steady in the face of easier precious and base-metal prices. In the South Africans sector, "Amgold" mirrored the trend in Golds and moved up £1½ to £76¾ but Rand Mines Properties dipped 20 to 700p. London issues held unchanged with the exception of Hampton Areas, which eased only 2 to 208p.

Turnover in Australians was restrained by erratic movements in the Australian dollar against sterling and the U.S. dollar. However, the underlying firmness of overnight Sydney and Melbourne markets enabled the majority of leading issues to register modest gains, notably MIM Holdings, which rose 6 for a two-day gain of 22 to 240p.

After a relatively busy morning session, demand for Traded Options slackened and total contracts struck amounted to 2,268—some 600 short of last week's daily average. The battle for control of Eagle Star directed fresh attention towards Commercial Union positions: they attracted 381 calls with 181 transacted in the January 180's, which added 3 to 13p, and 122 in the January 200's, 2 better at 5p. GEC continued to attract call money despite disappointment with the first-half performance; 429 trades were struck here with 100 done in the July 160's.

FINANCIAL TIMES STOCK INDICES

	Dec. 13	Dec. 12	Dec. 9	Dec. 8	Dec. 7	Dec. 6	year ago
Government Secs.	82.43	82.51	82.77	83.29	83.33	83.00	78.90
Fixed Interest	85.92	85.90	86.25	86.41	86.41	86.27	81.13
Industrial Ord.	750.6	†753.7	757.1	760.2	753.6	748.2	596.5
Gold Mines	584.3	573.1	567.2	592.3	580.8	583.0	525.0
Ord. Div. Yield	4.66	4.64	4.63	4.60	4.63	4.65	4.95
Earnings, Yld.% (full)	9.54	9.50	9.48	9.46	9.53	9.56	10.62
P/E Ratio (net) (*)	12.79	12.85	12.88	12.88	12.79	12.72	11.30
Total bargains	20,855	21,030	22,620	23,109	20,046	20,734	21,662
Equity turnover £m.	—	254.14	334.24	297.26	208.72	219.51	199.93
Equity bargains	—	18,250	23,414	21,144	18,172	17,810	19,704
Shares traded (ml)	—	147.8	187.9	165.6	132.3	137.4	155.3

10 am 752.5. 11 am 752.5. Noon 752.5. 1 pm 752.1. 2 pm 752.5. 3 pm 751.1.

Basis 100 Govt. Secs. 18/1/28. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974. † Correction.

Latest Index 01-246 8026.

Nil=12.02.
† Corrected.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.70 (11/11)	77.00 (24.1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	86.41 (7/12)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	760.2 (8/12)	598.4 (12/1)	760.2 (8/12/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	444.6 (1/11)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Dec. 12	Dec. 9
—Daily Gilt Edged Bargains	175.3	172.3
Equities Bargains	118.2	151.7
Value	513.7	675.6
5-day Avrge Gilt-Edged Bargains	179.8	179.2
Equities	128.0	
Bargains		†128.7
Value	531.1	520.2

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (93)

AMERICANS (9)
American Nat. Res. Honeywell
Bethlehem Steel Rockwell Internatl.
Browning-Ferris Sperry Corp.
Campbell Soup U.S. Steel
Exxon

CANADIANS (2)
Royal Bk. of Can. Trans Can. Pipe

BANKS (4)
Alexanders Discount Wells Fargo
Schroders Baltic Leasing

STORES (7)
Casket (S.) Hepworth (J.)
Debenhams Simpson (S.) A
Foster Bros. Woolworth
Gelfer (A. J.)

ELECTRICALS (4)
A.B. Electronic Toshiba Corp.
Real Time Control

ENGINEERING (6)
Cummins 3¼pc Cnv. Uns. Ln. 1978-94 Saville Gordon
Smith Whitworth
Glynwed Internatl. Telfos
Robinson (T.)

FOODS (5)
Hazlewood Hinton (A.)
Hillards Maynards
Morrison (W.)

HOTELS (1)
Garfunkels Rests.

INDUSTRIALS (15)
Assoc. Brit. Ports Hanson Trust
BOC Do. 9¼pc Cnv. Uns. Ln. 2001-06
Do. 9pc Cnv. Uns. Ln. 2001-06 I.C. Inds.
Boots Norcros
Broken Hill Prop. Smith Inds.
Continental Group Stocklake
Embart Corp. TNT
Hewitt (J.)

INSURANCE (6)
Britannic Pearl
Bryant (Derek) Travelers Corp.
Hambro Life Willis Faber

MOTORS (1)
Plaxtons (G. B.)

NEWSPAPERS (2)
Collins (Wm.) A Octopus Publishing

PAPER (2)
Chapman Inds. Clondalkin

PROPERTY (3)
Allnatt London Laing Props. 8¼pc Cnv Uns Ln '00-05
Rosehaugh

SHOES (2)
FII Newbold & Burton

TEXTILES (2)
Allied Textile Crowther (J.)

TRUSTS (14)
Anglo Am. Secs. New Australia
Crescent Japan Rights & Issues Cap.
Fleming Amer. 7pc Cnv. Uns. Ln. '99 SPLIT Cap.
TR Australia
Lancs. & London TR Technology
M&G Dual Cap. Tribune
M&G 2nd Dual Cap. Authority Invs.
Murray Northern B

OILS (6)
Brunswick Oil Weeks Aust.
Monarch Pet. Texaco 4¾pc Cnv. Ln. 1981-99
Moonie Oil
Weeks (Bermuda)

PLANTATIONS (2)
Cons. Plants. Moran Tea

MINES (1)
Cons. Murchison

NEW LOWS (16)

BRITISH FUNDS (1)
Conv. 10¼pc '99

BUILDINGS (2)
Beechwood Maunders (John)

ELECTRICALS (3)
Black (Michael) Oxford Instruments
Kode Int. Oceonics

FOODS (1)
Bio-Isolates

INDUSTRIALS (5)
Ecobric Pritchard Services
Do. Defd. Sheldon Jones
Lond. & L'pool Tst.

TEXTILES (1)
Nova (Jersey) Knit

MINES (2)
Western Continenal Centennial Minerals

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	7	69	26
Corpns. Dom. and Foreign Bonds	4	11	62
Industrials	280	248	874
Financial and Prop.	93	93	339
Oils	29	27	62
Plantations	5	3	12
Mines	68	20	80
Others	80	34	66
Totals	566	505	1,521

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+or-
[illegible]							
25	F.P.	30/12	36	28	Manson Fin. 10p	36	+2
25	Nil	15/12	5pm	3pm	Philcom 10p	4pm	−½
95	Nil	16/1	103	90	✻Pineapple Dance 10p	100	−3
817p	Nil	—	14pm	13½pm	Toronto Dom. Bk.	14pm	+½
85	F.P.	4/1	107	90	Ward White	104	
—		21/11	172	135	Western Mining Options	172	

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ○ Figures or report awaited. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. †† Dealt in under Rule 163 (3). ✻ Unlisted Securities Market. * Comprising of 10 New ordinary plus 1 Series B Warrant. C Canadian.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec 5	Dec 16	Mar 8	Mar 19
Dec 19	Jan 6	Mar 22	Apr 2
Jan 9	Jan 20	Apr 2	Apr 16

For rate indications see end of Share Information Service

Money was given for the call in Dominion International, Trust Securities, Brunswick Oil, Tootal, W. E. Norton, Barratt Developments, Fitzwilton, GEC, John Brown, Goodman Brothers, Mnemos, Rank Organisation, Debenhams, Lonrho and Bristol Oil and Minerals (formerly KCA International). A put was done in London and Liverpool, while doubles were arranged in Trust Securities, W. E. Norton, Barratt Developments and Bristol Oil and Minerals.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BP	392	−2
Crystalate	188	+11
Eagle Star	715	+18
FII	168	+19
Grand Met	342	−8
Land Securities	261	+5
Meyer Int'l.	152	−4
Ocean Transport	107	+1
Plaxtons (G.B.)	218	+43
Pressac	187	−14
Prudential	490	+14
Racal Elects	212	+10

MONDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Mon. close	Day's change
GEC	23	176	−17
Hanson Trust	14	263½xd	−1
Whitecroft	13	159	−15
Dobson Pk Ind	12	69	+7½
Eagle Star	12	697	−13
Pict Petroleum	12	115	+7
Baker Perkins	11	114	+14
Beecham	11	315xd	+1½
Hill Samuel	11	345	+25
Rank Hovis Mc	11	73xd	+½
Ryl Bk of Scot	11	179xd	+5½
Thorn EMI	11	635	−8
BOC	10	264	+4
Boots	10	185	+5
[illegible]			

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

	Equity groups & sub-sections	Tues Dec 13 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Mon Dec 12 Index No.	Fri Dec 9 Index No.	Thurs Dec 8 Index No.	Wed Dec 7 Index No.	Year ago (approx) Index No.
1–45	[illegible]										
46	Miscellaneous (48)	528.64	+0.1	8.79	4.04	13.67	528.31	531.78	530.02	525.04	400.85
49	INDUSTRIAL GROUP (494)	455.79	−0.1	9.69	4.20	12.87	456.08	458.14	460.29	456.39	394.50
51	Oils (16)	919.45	−0.5	12.16	6.45	9.99	923.98	922.18	933.61	920.19	729.76
59	500 SHARE INDEX	494.55	−0.1	10.09	4.56	12.31	495.20	496.93	499.87	495.16	422.33
61	FINANCIAL GROUP (123)	368.26	+0.2	—	5.24	—	367.54	368.13	370.55	366.89	267.80
62	Banks (6)	375.97	−1.9	23.02	6.81	4.71	383.11	385.15	389.18	386.96	287.27
63	Discount Houses (8)	339.87	+0.1	—	8.03	—	339.43	335.20	334.19	334.73	278.98
65	Insurance (Life) (9)	510.39	+2.0	—	4.41	—	500.47	496.68	497.89	491.04	355.19
66	Insurance (Composite) (10)	255.13	+1.1	—	6.02	—	252.32	252.52	254.69	252.01	172.77
67	Insurance Brokers (7)	647.10	+0.9	10.57	4.55	12.95	641.07	639.44	639.53	619.12	468.55
68	Merchant Banks (12)	223.18	+0.2	—	4.13	—	222.84	219.58	219.27	216.35	151.06
69	Property (53)	529.28	+0.4	5.67	3.64	23.55	527.09	532.90	535.16	532.32	402.46
70	Other Financial (18)	257.23	−0.4	10.71	5.27	11.25	258.22	258.23	261.63	258.38	182.99
71	Investment Trusts (108)	468.71	−0.3	—	3.81	—	470.01	471.12	470.31	465.65	350.92
81	Mining Finance (4)	280.90	—	9.39	5.19	13.07	280.95	283.48	289.24	286.74	230.83
91	Overseas Traders (15)	489.34	+0.2	7.83	7.65	18.21	488.19	489.21	487.32	485.11	374.24
99	ALL-SHARE INDEX (750)	463.58	−0.1	—	4.68	—	463.85	465.33	468.03	463.59	381.51

FIXED INTEREST

	PRICE INDICES	Tues Dec 13	Day's change %	Mon Dec 12	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	117.34	−0.14	117.50	—	11.02
2	5-15 years	131.63	−0.17	131.85	—	12.80
3	Over 15 years	141.24	−0.23	141.56	—	13.24
4	Irredeemables	149.78	+0.08	149.66	—	13.57
5	All Stocks	129.89	−0.17	130.11	—	12.36
6	Debentures and Loans	107.20	−0.04	107.24	—	10.88
7	Preference	80.53	−0.01	80.54	—	6.52

	AVERAGE GROSS REDEMPTION YIELDS		Tues Dec 13	Mon Dec 12	Year ago (approx)
	British Government				
1	Low	5 years	9.43	9.41	8.94
2	Coupons	15 years	10.09	10.05	10.43
3		25 years	9.84	9.81	10.71
4	Medium	5 years	11.08	11.05	11.52
5	Coupons	15 years	10.77	10.73	11.64
6		25 years	10.23	10.20	11.17
7	High	5 years	11.21	11.18	11.63
8	Coupons	15 years	10.92	10.88	11.80
9		25 years	10.39	10.30	11.35
10	Irredeemables†		9.82	9.82	10.74
11	Debs & Loans	5 years	11.63	11.44	12.59
12		15 years	11.61	11.49	12.44
13		25 years	11.61	11.54	12.44
14	Preference†		12.29	12.21	12.99

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C	$375	—	—	21	40	—	—	$389.50
GOLD C	$400	18	10.90	30	23	—	—	
[illegible]								

TOTAL VOLUME IN CONTRACTS: 14,776

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option	Calls Jan.	Calls Apr.	Calls July	Puts Jan.	Puts Apr.	Puts July
Brit. Petroleum (*392)						
360	36	—	—	3	—	—
390	16	28	36	12	22	28
420	5	16	22	34	42	46
[illegible]						

Option	Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
Imperial Group (*133)						
110	25	27	—	0¾	1½	—
120	17	19	—	1½	2½	—
130	9	11	15	4	7	9
140	3½	6	8½	9	11	13
[illegible]						

Dec. 13. Total Contracts 2,268. Calls 1,775. Puts 439
* Underlying security price

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
99½	96¼	Funding 5½pc '82-84‡‡	99½xd		5.52	9.07
101¼	99½	Exch. 11¼pc 1984	100¼	-⅛	11.22	9.25
104⅛	100½	Exchequer 14pc 1984	101⅞	...	13.74	9.50
97½	92½	Exch. 3pc 1984	97½xd	+⅛	3.09	8.96
102½	100½	Treasury 12pc 1984	101¾	-⅛	11.79	9.51
107½	104½	Treasury 15pc 1985	105⅛	-⅛	14.25	10.09
107	101½	Exch 12pc Cnv '85	102¼		11.74	10.03
94	88⅝	Treasury 3pc 1985	93¾		3.20	7.67
102½	99⅛	Treasury 11½pc 1985	102xd	-⅛	11.27	10.15
102	95	Treas 8¼pcCnv '85	98½		8.91	9.87
103¼	100⅛	Exch. 12¼pc 1985	103	-⅛	11.89	10.47
102⅞	99½	Exch 11¾pc '86	102½	-⅛	11.51	10.61
102¼	97¼	Treas 10pc Cnv 1986	100¼	-⅛	9.98	9.71
88½	85⅝	Treasury 3pc 1986	88½	+⅛	3.39	8.29
101½	97½	Exch. 10½pc Cv '86	100	-⅛	10.50	10.49
103½	100½	Treasury 12pc '86	102¼	-¼	11.74	10.94
97½	94⅛	Treasury 8½pc '84-86‡‡	97⅜xd		8.73	9.70
114	103¼	Treas 12¾pc '86 Cnv	108½xd	-½	11.29	8.54
109½	105½	Exch 14pc 1986	107¼	-⅛	13.05	10.95
84⅞	84½	Exch 2½pc 1986	84½	-⅛	2.96	8.49
107¼	103⅝	Exch 13¼pc 1987	105½	-⅛	12.56	11.09
100½	95¾	Treas 10¼pc Cnv '87	98½	-⅛	10.43	10.87
84½	80¼	Exchequer 2½pc 1987	83½		3.00	8.62
100½	95⅞	Exch. 10½pc 1987	98½	-⅛	10.64	10.95
93¼	88⅛	Funding 6½pc '85-87‡‡	91½	-⅛	7.10	9.47
98½	96	Treas 10pc 1987	97½	-⅛	10.26	10.87
86	80¼	Treasury 3pc 1987	83½xd	-⅛	3.61	8.56
104⅛	99⅞	Treas 12pc 1987	102¼	-⅛	11.68	11.09
93¼	89⅜	Treasury 7¾pc '85-88‡‡	92½	+⅛	8.36	9.93
101½	95½	Exch 10½pc '88	98½	-⅛	10.64	10.87
98⅝	95½	Treas 9¾pc Conv '88	96½	-⅛	10.10	10.73
81½	75¼	Transport 3pc '78-88	80½xd	+⅛	3.73	8.26
96¼	90¾	Treas. 9½pc '88	94⅝	-⅛	10.04	10.93

Five to Fifteen Years

1983 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
105½	95¼	Treasury 11½pc 1989	105	...	11.34	11.11
103	94¼	Treas 10½pc 1989	98xd	...	10.71	10.99
20½	19½	Exch 10pc 1989 (£20pd)	19½	-⅛	10.37	10.87
83¼	76	Treasury 5pc '86-89	82⅛	-⅛	6.15	9.20
114	103	Treasury 13pc 1990‡‡	107xd	-¼	12.02	11.13
109⅞	100⅞	Exch. 12½pc 1990	108⅛	...	11.85	11.23
93¼	86¼	Treasury 8¼pc '87-90‡‡	90xd	-¼	9.16	10.40
108¼	97	Treasury 11¾pc 1991	101⅝xd		11.46	11.24
83	74⅛	Funding 5¾pc '87-91‡‡	81½	-⅛	7.19	9.61
103	95¾	Exch. 11pc 1991	101	-⅛	11.06	11.08
114⅛	102	Treasury 12¾pc '92‡‡	113¼		11.79	11.17
100	88¼	Treasury 10pc 1992	99		10.43	10.76
110¼	98½	Exch. 12¼pc '92	109⅛	-⅛	11.62	11.24
116	106½	Exchequer 13½pc '92	114⅞	-¼	12.07	11.32
114	101¼	Treasury 12½pc '93‡‡	106⅞xd	-¼	11.58	11.15
79⅜	71	Funding 6pc 1993‡‡	77⅜	-⅛	7.88	9.85

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

1983 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
88⅛	82¼	Herts 6½pc 1985-87	88		7.66	10.78
119	107½	Leeds 13½pc 2006	118¼		11.66	11.51
100¼	97	Liverpool 9½pc '80-84	100		9.75	9.73
30½	27½	Do 3½pc Irred.	30		11.73	—
98⅛	93¼	Lon. Corp 9½pc '84-85	98¼		9.42	10.30
97½	81¼	LCC 5½pc '82-84	97½		5.64	9.74
85¼	78¼	Do. 5½pc '85-87	85¼		6.45	10.64
83	75	Do 6¾pc '88-90	80xd		8.68	10.91
26⅛	23¼	Do. 3pc '20 Aft.	25¼		11.84	—
103	100	Sunderland 12¼pc 1984	102¼		11.98	9.82

COMMONWEALTH AND AFRICAN LOANS

1983 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
84¼	74¼	N.Z. 7½pc 1988-92	80½xd	...	8.95	10.68
94¼	88¼	Do 7½pc '83-86	92½xd		8.08	10.87
181	158	S. Rhod 2½pc Non-Ass	180	...		
86	74	Do. 3½pc 80-85 Assd	82		4.29	14.90
57	44	Do. 4½pc 87-92 Assd	54		8.43	14.20
395	321	Zimbabwe Ann (£100pd)	340		—	15.70

LOANS

Building Societies

1983 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
100½	99⅛	N'wide 11¼pc 19.12.83	100½		—	—
100⅞	99	Do. 11⅞pc 23.1.84	100¼		11.86	9.88
100⅞	100	Do. 11⅞pc 13.2.84	100¼		11.85	9.72
100½	99	Do. 11¼pc 19.3.84	100½		11.22	9.83
100⅞	99⅞	Do 11¼pc 9.4.84	100½		11.22	9.99
100⅞	99½	Do. 10¾pc 30.4.84	100¼		10.66	9.83
100⅞	99⅝	Do. 10⅞pc 29.5.84	100½xd		10.82	9.72
100⅞	99½	Do. 10⅞pc 18.6.84	100½		10.82	9.81
100½	99½	Do. 10⅝pc 9.7.84	100½xd		10.52	9.45
100⅝	99¼	Do. 10⅞pc 30.7.84	100½		10.86	10.46
100½	100⅛	Do. 11¼pc 20.8.84	100½		11.19	10.28
100¼	99⅞	Do. 11pc 3.9.84	100½		10.95	10.09

LOANS—continued

Public Board and Ind.

1983 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
77½	71¼	Agric. Mt. 5pc '59-89	74xd		6.72	11.32
37¼	31¼	Met. Wtr. 3pc 'B'	36¼		8.34	11.12

Financial

1983 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
97½	92	Inv in Ind 6½pcDb'81-'84	96		6.52	10.80
106½	96¼	Do. 10½pcUnLn '86	97½		11.30	14.60
104	96½	Do 11pc Uns Ln '88	99½		11.61	12.70
104½	97½	Do 11¼pc Uns Ln '90	101½xd	...	12.21	12.70
107½	91½	Do 12¼pc Un. Ln. 1992	107		11.92	11.60
83½	74½	Do. 7¼pc A Deb '89-92	79		9.22	11.10
80	70½	Do. 7½pcADeb '91-94	79		9.46	11.00
90½	80½	Do. 9% A '91-'94	90½		10.17	10.85
89½	72½	Do 8⅞pcLn. '92-97	89		10.36	10.80

FOREIGN BONDS & RAILS

1983 High	Low	Stock	Price £	+ or -	Div. % Gross	Red. Yield
15	8	Chinese 4½pc 1898	13		—	—
11	10	Do 5pc 1912	10		—	—
11	8	Do 5pc 1913	9	...	—	—
9½	5½	Do 5pc '25 Boxer	9	...	—	—
48	40	Greek 7pc Ass.	48		3½	17.29
46	41	Do. 6pc '28 Stb. Ass	46		3	16.59
44	38	Do 4pc Mixed Ass	44		2	14.60
34	27	Hung. '24 Ass.	34	+1	2¼	8.52
122½	102½	Hydro Quebec 15pc Ln 2011	118	-½	15	12.71
82	75	Iceland 6½pc '83-88	82		6½	12.20
111½	94½	Do. 14½pc Ln. 2016	110	-½	14½	13.83
88½	78¼	Ireland 9¼% '91-'96	88½	...	9¼	11.91
303	275	Japan 4pc '10 Ass	301	+1	—	—
90	81½	Do 6pc '83-88	90	+1	6	9.32
161	161	Peru Ass. 2007	161		5.22	13.29
$92	$75	Turin 9pc 1991	$92		9	19.78
DM95	DM88	Turin 6½pc 1984	DM95	...	6½	13.90

AMERICANS

1983 High	Low	Stock	Price £	+ or -	Div. Gross	C'vr	Y'ld Gr's
35¼	22¾	Abbott Labs.II	31		$1.00	—	2.2
31⅞	17⅞	Alcoa $1	31½	+¼	$1.20	—	2.6
19½	13¾	Amax $1	17⅞	+⅛	20c	—	0.8
18⅝	875p	Amdahl	13¼	+½	20c	—	1.0
32⅜	20⅛	Amer. Express $0.60	20⅛	-2¼	$1.28	—	4.2
24⅝	15⅛	Amer Medical Intl. $1	15⅞	+⅛	48c	—	2.0
30⅞	20⅜	Amer Nat. Res. $1	30⅝	+¼	$3.16	—	6.8
46¼	36¼	American T & T Co.	44⅞	+⅝	$5.40	—	8.1
21½	14	Amfac Inc	21	-⅛	$1.44	—	4.6
16	12	Bank America Corpn.	14¼	+⅛	$1.52	—	7.1

CANADIANS

BANKS, H.P. & LEASING

1983 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's	P/E
378	190	ANZ $A1	370		†028c	φ	5.1	φ
307	235	Alexanders D. £1	307	+4	20.0	—	9.3	—
£93	£66	Algemene Fl.100	£83½	-¼	v026%	1.8	6.8	8.1
157	89	Allied Irish	148		†049%	4.2	6.5	5.0
110	71	Ansbacher (H.) 50p	78	+3	3.5	—	6.4	—
285	170	Bk. Ireland £1	285		†024.9	—	7.0	—
£13½	975	Bk. Leumi IS100	975	-25	—	—	—	—
305	130	Bk Leumi (UK)£1	250		10.15	—	5.8	—
700	420	Bank Scotland £1	693	-5	†24.0	4.1	4.9	5.3
534	385	Barclays £1	480	-10	†22.0	3.6	6.5	4.8
340	235	Brown Shipley £1	315		7.75	—	3.5	—
428	315	Cater Allen £1	395		†26.95	—	9.7	—
114	78	Charterhouse Gp	108	+1	†15.4	1.6	7.1	(18.9)
44	32	Clive Dis'nt 20p	42		†3.2	—	10.9	—
980	650	Com'zbk DM 10	825	-10	gv12%	—	5.1	—
£22¼	£10¼	C'hgn.Hbk.Kr100	£19		v015%	—	8.5	—
9	6½	Dawes (G. R.)	7		—	—	—	—
£94	£68½	Deutsche Bank DM50	£79	+½	v22%	—	3.5	—
178	94	English Assoc.	145		h2.73	3.8	2.7	13.9
67	39	First Nat. 10p	65½	-3½	—	—	—	5.2
5¼	¼	Do Wrnts. 75-83	¼		—	—	—	—
20	8	♥First Pacific Fin	13½		Q8c	2.3	5.0	8.9
42	30	♥Do. Hldgs.	35		Q28c	1.1	6.7	13.6
253	161	Gerrard Natnl	232		h10.0	—	6.2	—
59	43	Goode D't Mry.5p	51		1.0	—	2.8	—
208	125	Grindlays	248	+3	4.38	3.0	4.2	11.3
*58	39	Guinness Peat	56	-1	8—	—	—	—
142	100	Hambros 5p	136	+1	5.28	—	5.5	—
347	177	Hill Samuel	343	-2	†9.1	—	3.8	—
86½	50	Hong Shng $2.50	61	-1	†055c	—	8.0	—
76	57	Jessel Toyn. & Gillett	68		†5.5	—	11.6	—
300	185	Joseph (Leo) £1	295xd	-5	11.25	—	5.4	—
116	94	King & Shax 20p	116	+1	7.5	—	9.2	—
370	270	Kleinwort B.L.	347	+2	11.0	—	4.5	—
576	395	Lloyds £1	550	-10	†24.58	3.8	6.4	4.5
*38½	25½	Manson Fin. 20p	36	-2	g1.0	1.1	4.0	(3.8)
500	234	Mercury Secs	485		9.5	—	2.8	—

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING

FOOD, GROCERIES, ETC

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1983 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's	P/E
23	9½	Keep Trust 5p	12	..	‡0.15	—	‡	—
210	140	Kelsey Inds.	198		8.0	1.7	5.8	13.6
130	58	Kennedy Smale	78		♦—	—	—	—
155	110	Kershaw (A.) 5p.	130	..	‡15.0	0.6	‡	(19.6)
80	39	Kleen-E-Ze Hldgs.	68xd	....	‡4.5	0.5	9.5	—
101	52	L.C.P. Hlds.	78	....	3.6	1.5	6.6	(12.1)
32	14	LDH Group	27		—	—	—	♦
132	93	L.R.C. Int. 10p	111	-1	‡h2.95	2.6	3.8	12.4
36	17	Lamont Hldgs. 10p	36	..	‡1.3	1.8	5.2	14.1
41	26	Lawtex	40		—	—	—	♦
480	345	Lep Group 10p	460		17.5	0.3	5.5	69.2
49	22	Lilleshall 10p	48		d1.0	—	3.0	—
350	33	Lon. & Lie. 10p	33	-1	h2.75	3.1	11.9	3.0
135	97	London & Mid'd.	124	-1	7.75	1.1	9.2	13.5
50	20	Do. Defd.	46	-1	—	—	—	5.7
118½	58	Lon. & Nthn. Grp.	67½		F4.2	2.0	8.9	9.5
40	18	♦Lon. Priv. Health	19	+1	—	—	—	9.5
65	46	Longton Inds.	62		1.0	—	2.3	—
144	70	Low & Bonar 50p	142	-2	‡5.0	2.8	5.0	(8.0)
48	32½	MCD Group	44		u1.0	2.2	3.2	20.1
		for MMT Computing see Electricals						
26	16	M.Y. Dart 10p	25		20.25	—	1.4	—
212	134	M'c'rthy Pk. 20p	140	..	7.0	2.7	7.1	6.6
148	128	Macfarlane Gp.	130		‡3.52	2.1	3.9	15.9
46	33	Maclellan 20p	39		d1.5	1.6	6.3	12.2
63	31	Macpherson (D.)	43	-½	4.2	0.6	14.0	(25.0)
56	41	Magnolia Group	53		2.3	3.2	6.2	6.2
72	68	♦Mameri Hldgs. 10p	68		—	—	—	72.6
180	65	Man. Ship Can. £1	139	-1	3.5	6.8	3.7	4.2
77	48	Marley	75	+1	‡2.5	0.5	4.8	(7.0)
47	30½	Marling Ind. 10p	44½xd	-3½	‡1.08	1.7	3.5	(20.0)
34	25	Marshall L'sy 'A'	31		‡1.2	—	‡	—
70	44	Marshall's Univ.	68	+2	8—	—	—	134.2

LEISURE—Continued

1983 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's	P/E
112	85	Assoc. Leisure 5p	102	-1	‡h4.13	2.1	5.8	14
128	72	Barr & W.A.T. 'A'	89		‡5.0	1.9	8.0	(7
100	40	Black & Edgtn.	80	-2	♦—	—	—	21
178	118	Boosey & Hawkes	155		‡2.3	1.5	2.1	(3
61	32	Campari Int. 20p	41½	-½	‡d2.73	1.2	‡	(1
170	160	♦Central TV N/Vtg 50p	170		—	—	—	—
40	23	Fairline Boats 10p	37xd		1.75	♦	6.8	♦
46½	14½	GRA Group 5p	42½		—	—	—	54
69	45	Grampian TVA 10p	68	...	‡3.6	2.9	7.6	5.
198	136	HTV Non-Vtg	196	-2	11.0	2.2	8.0	8
222	118	Horizon	152	+4	‡3.6	5.7	3.4	6
162	91	Intasun 10p	147	-1	4.0	4.5	3.9	6
60	22	♦Intervision Video 10p	24		1.0	♦	4.3	♦
385	258	Juliana's Hldgs. 2p	385	+10	n4.9	2.4	1.8	28
185	139	LWT "A"	179	..	11.08	♦	8.8	♦
147	47	Leisuretime Int. 10p	47	-	g1.54	♦	5.4	♦
132	98	Mngmt. Ag. M. 10p	98	..	8.75	1.6	12.8	7.
75	52	Medminster 10p	75	-2	4.4	1.7	8.4	9.
170	110	♦Miss World Grp 10p	150		b3.0	2.5	2.7	21.
23	17½	♦Nationwide 5p	19	-½	—	—	—	—
128	26	♦Nimslo Int 20c	27		—	—	—	—
128	45½	Norton Opax 10p	123		12.17	4.3	2.5	8
30	22½	♦Owners Abroad	28		0.5	4.5	2.6	12.
47	36	Photax (Lon.)	37		—	—	—	—
147	84	♦Pineapple Dance St 10c	100		g1.5	♦	2.1	26
363	217½	Pleasurama 5p	330		15.75	4.5	2.5	19
173	108	♦Radio City 'A' NV	158xd		♦4p	1.6	5.1	17.
209	138	Riley Leisure 10p	149	+2	‡3.95	1.7	3.8	20
132	83	Saga Hols. 20p	107xd		d3.73	—	5.0	—
515	325	Samuelson Grp £1	335		17.0	♦	5.3	♦
111	94	Scott. TV 'A' 10p	111	..	7.35	2.2	9.5	6
68	27	♦SelecTV 10p	30	..	—	—	—	—
26	15½	TSW 5p	24		1.2	5.0	7.1	4.

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

OIL AND GAS

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

Australians

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

OPTIONS

3-month Call Rates

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AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Bridge Fund Managers (a)(c)
Regis Hse., King William St., EC4. 01-623 4951

Amer. Gen.†	55.9	60.2	....	0.73
Income*	77.4	84.5xd	+0.6	5.45
Capital Inc.‡	84.3	90.6	....	2.17
Do. Acc.‡	105.9	113.8	....	2.17
Exempt‡	187.0	202.0	....	4.46
Intl. Recovery Inc.‡	36.7	39.5	....	2.16
Do. Acc.‡	47.7	51.3	....	2.16

Dealing *Tues. ‡Wed. †Thurs. Prices Nov 15/16/17.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4, Melville Cres., Edinburgh 3. 031-226 3492

Cres. American	65.0	70.2	+0.2	1.21
Cres. Capital	44.0	47.5	+0.2	1.84
Cres. Growth & Inc.	78.1	84.4	-0.1	4.89
Cres. High. Dist.	61.7	66.6	....	7.51
Cres. International	124.9	134.9	+0.6	1.02
Cres. Resources	26.0	28.0	+0.2	2.14
Cres. Tokyo	85.0	91.8	+0.3	0.27

Lawson Fund Managers Ltd. (a) (c) (g)
43, Charlotte Sq., Edinburgh 2 031-225 6001

Charles Square Fd.	58.1	60.1	+0.6	4.3
Pension Share Fd.	14.1	15.1	....	1.9
Australia & Pac.	8.6	9.5	....	0.6
High Yield	20.0	21.5xd	....	11.5
Do. Accum	21.5	23.0xd	....	11.5

Legal & General (Unit Tst., Mngrs.) Ltd.
5 Rayleigh Rd., Brentwood 0277 217238

Equity Dis.	163.6	176.9	-0.4	2.22
Equity Acc.	240.9	260.4	-0.6	2.22
Gilt	63.4	66.9	....	4.78
Int. Managed	52.9	57.2xd	+0.1	1.12

Royal Life Fd. Mgmt. Ltd.
New Hall Place, Liverpool L69 3HS 051-227 4422

Equity Trust	34.9	37.5xd	-0.1	3.23
International Trust	44.5	47.8	+0.3	0.81

Royal London Unit Tst Mgrs Ltd
72-80 Gatehouse Rd. Aylesbury. 0296 5941

Capital Accum Trust	106.9	114.9	-0.4	2.95
American Growth Tst	50.2	54.0	-0.1	0.98
Income & Growth Tst	48.0	51.6	....	6.79
Special Situations Tst	48.9	52.6	-0.1	0.94

Touche, Remnant Unit Trust Mngt. Ltd.
Mermaid Hse, 2 Puddle Dock, EC4. 01-248 1250

TR American Growth	24.5	26.3	....	0.58
TR General Growth	27.6	29.7	-0.1	2.27
TR Income Growth	30.6	32.9	+0.1	6.30
TR Income Monthly	33.6	36.1	+0.1	8.87
TR Overseas Growth	32.9	35.4	+0.4	1.58
TR Special Ops.	27.2	29.2	+0.1	2.51

Trades Union Unit Trust Managers
100, Wood Street, E.C.2. 01-628 8011

TUUT Dec 1	94.7	100.8	....	4.00

Offshore & Overseas—continued

Actibonds Investment Fund SA
37 rue Notre Dame. Luxemb'rg. Tel 47971

Actibonds In	—	$19 94	....	—

Alliance Capital Management Intl Inc
62:63 Queen St. London EC4. 01-248 8881

Alliance International Dollar Reserves
Distribution Nov 22-30 (0.002088) (8.83% pa)

HealthCrDec7	—	$8.71	....	—
Tech'logyDec7	—	$22.08	....	—
Qaser Dec 7	—	$48 68	....	—

Arias Fund Managers Ltd
PO Box 284. St Helier, Jersey. 0534 72177

SterlFdlm	£10 69	10 74	.	—

Bamford Brandt Guernsey Mngt Ltd
PO Box 71. St Peter Port. Guernsey. 0481 26541

Tech&Coms	£7.92	8.40	....	—
IntGrowth	$16.90	18.01	.	—

Brown Shipley Tst Co (Jersey) Ltd
PO Box 583. St Helier. Jersey. 0534 74777

StlgCapital	£16.57	16 58	+0.01	—
IntCurrency	£1.11	1.17	+0.01	—
IntBondInc	$10 60	11 16	+0.17	—
IntBondAc	$10.60	11.16	+0.17	—

CAL Investments (IoM) Ltd
16 St Georges St Douglas IoM. 0624 20231

CAL C&C*	83.3	87.7	....	—
CAL Metals	94.5	99 5	....	—
CAL Silv**	240.0	255.1	+0.7	—
CAL Gold**	88.7	93.4	-0.3	—
CAL Copper**	—	—	..	—
CAL Alum**	91.2	96.0	-0.6	—

*Dealing days every Monday. **Dealings daily.

CAL Investments (Bermuda) Ltd
PO Box 1022. Hamilton. Bermuda. (809-29) 5-5950

CAL CTR Fd	67.1	70.4	-1.2	--

Dealing days every Monday.

Capital Preservation Fund International
14 Rue Aldringen. Luxembourg 1118

Cap Press Fd	—	$10.06	+0 01	—

Commodity Advisory Svcs (IoM) Ltd
48 Athol St. Douglas. IoM. 0624-20845

Comm&FF Ac	81.4	84.73	....	—
Com&FFd	81.40	84.79	....	—

Next dealing date Dec 19.

Citibank (CI) Ltd "Citifunds"
Green St, St Helier. 0534-70334

U S. $ Fd	$10.445	+0.003	—
£ Sterling Fd	$5.220	+0 002	—
SwFrancFd	SwFr20.232	+0 001	—
Jpa Yen Fd	Y2,053.166	+0.274	—
Deutschmk Fd	DM20.367	+0.002	—
Managed Fd	$10.157	+0.002	—

" Citicare "

Citicare Fd Nov 30	9.682	....	--

Dunvest Ltd
PO Box 887, Grand Cayman.

NAV	$172.16	....	—

EBC Trust Company (Jersey) Ltd
1-3 Searle St. St Helier. Jersey. 0534-36331

USSDoSh'tA	1.3073	+0.0002	9.02
Do Dist	1.0235	+0.0002	9.02
Mad Cur Sh'tB	1.1255	+0.0024	8.20
Do Dist	0.9341	+0.0020	8.20
Eurobd Long Tm	23.75	....	23.69

Fidelity International
9 Bond St. St Helier. Jersey. 0534-71696

D'llrSvgsTst	107.92	+0.08	8.96
AmValCmPf$3‡	100.0xd	....	—
AmValsCdm‡	59.34	....	—

‡ Prices at Nov 30.

Forbes Securities Management Co
PO Box 887. Grand Cayman. BWI. London Agents 01-839 3013

Gold Inc	$9.49	10.00	....	12.9
Gold Acc	$7 42	7.82	....	—
Dollar Inc	$9.17	9.51	....	13.4

Framlington Overseas Fund Mngt Ltd
PO Box 71. St Peter Port. Guernsey. 0481 26541

O'seas&Gth	£2.0	54 7xd	....	4.0
O'seas&Gth	$75.2	79.3xd	....	4.0

GRE International Invest Mngrs Ltd
PO Box 194. St Helier. Jersey. 0534 27441

ManCurFd	—	10.39	....	—

Grieveson Mngt (CI)—Barrington Fund
30 Bath St. St Helier. Jersey. 0534-75151

IntIncDec8	99.0	105.3xd	....	4.88

Grindlay Henderson Mngt Ltd
PO Box 414. St Helier, Jersey. 0534-74248

Mgd Fd	£10.7249	11.2611	+0.0321
Mgd Acc	£10.1666	10.6749	+0.0300
Stlg Fd	£10.3759	....	+0.0025
Stlg Acc	£10.3351	....	+0.0025
U.S. $ Fd	$20.7439	....	+0.0051
U.S. $ Acc	$20.6724	....	+0 0052
DM Acc	DM50.682	....	+0.0077
SwFr Acc	SwFr50.6468	....	+0.0062
Yen Acc	Y5103	....	+1

Guiness Mahon Intl Fund (Guernsey)
PO Box 188. St Peter Port, Guernsey. 0481 23506

Currency Deposit Shares

Dollar	$20.348	+0.005	—
Sterling	£10.158	+0.003	—
Yen	Y5048.486	+0.649	—
Deutschmk	DM50.400	+0.006	—
Swiss Franc	SwFr40.129	+0.001	—

IGF Management Services Inc
c/o Registrars PO Box 1044 Cayman Is, BWI

IntGoldFd	$57.81	60.70 -4.88	—

Jardine Fleming & Co Ltd
46th Floor. Connaught Centre, Hong Kong.

Curr Bd	$12.76	13.67	....	9.3
(Accum)	$18.04	19.33	....	—
Asean	$9.45	10.21	....	—
(Accum)	$9.45	10.21	....	—
American	$8.83	9.49	....	—
(Acum)	$8.83	9.49	....	—
Mgd Curr	$10.08	—	....	9.50
(Accum)	$10.08	—	....	9.50

Lazard Brothers & Co (Jersey) Ltd
PO Box 108. St Helier. Jersey, CI. 0534 37361

CoGBFd	$1.369 57	1386.2d	....	11.3
LazBrFarE	$14.69	15.63	....	1.00
D'fred Bd	$10.27	10.31	-0.04	6.5
N Am Fd	$10 58	11.26	....	—

Lloyds Bank International, Geneva
PO Box 438, 1211 Geneva 11 (Switzerland)

L I Dollar	$99.1	102.3	....	10.3
L I Growth	SF902.0	960.5	....	1.5
L I Income	SF283.0	294.0	....	6.8
L I Pacific	SF108.5	114.6	....	1.3

Lloyds Intl Money Market Fund Ltd
PO Box 136, St Peter Port, Guernsey. 048124983

Sterling class	£10.016
Dollar class	$20.031

Next dealing day Dec 14.

Lloyd's Life (Isle of Man) Ltd
Bridge Hse. Castletown. IoM. 0624 824151

SAIF	96.6	100.6	....	—

Management International Ltd
Bk of B'muda Bldgs, B'muda. 809-295-4000

Bda IBFC	$16.42	16.59	....	—
Bda IBFI	$11.22	11.34	....	—

Prices at Dec 9. Next dealing Dec 16.

Bda IEFC	$9.84	10.05	....	—
Bda IEFI	$9.80	10.00	....	—

Prices at Dec 7. Next dealing Dec 14.

Manufacturers Hanover Geofunds
PO Box 92, St Peters Port, Guernsey. 0481 23961

LA Inc	$105.26	105.84	....	9.44
LT Accg	$127 43	127.70	....	9.79
MIT Inc	$111.88	112.45	....	7.11
MIT Acc	$127.45	128.09	....	6.47

Geofund International Reserves Ltd.

Sterling	£5.153	+0.001	8.20
U.S. $	$10.318	+0.003	8.72
D-Mark	DM20.325	+0.003	5 05
Swiss Fr	SwFr20 225	+0.001	3.11
Jap Yen	Y2.039.2	+0.4	6.12
Managed Fund	$10.315	+0.002	9.42

Marine Midland (CI) Ltd
140 B'way NY 10015 USA. 212-440-1000
Queens Hse, Don Rd. St Helier. 0534 71460

Intl Currency	1,043.9166	....	—

Next sub day Dec 15.

Samuel Montagu London Agents
114 Old Broad St., EC2. 01.626 3434

ApDc12	SwFr93.0	100 9	....	—
JapN15	Y38.61	41.78	....	0.10
117GpN30	18.52	19.93	....	1.30
JyFdNov23	$13.15	14.24	....	—
MontFRNF	$10.10	10.64	....	—
U.S. FIF	$10.0	10.53	....	—

Nat Westminster Jersey Fd Mngrs Ltd
23/25 Broad St. St Helier, Jersey.
County Bank Currency Fund Ltd (z)

Dollar class	$20.9920	+0.004	—
Sterling class	£10.4946	+0.0021	—
D-mark class	DM51.1334	+0.004	—
Dutch Gldr	DFl51.1695	+0 0101	—
Jap Yen cl	Y5,156.132	+0.8597	—

Norcap Fund Managers (Bermuda) Ltd
Bank of Bermuda Building. Bermuda. 809 29 5400

Amer Tst	$9.86	10.29	....	—

Rothschild Asset Management (CI)
St Julian's Ct St Peter Port. Guernsey. 0481 26741

Bel Francs	BFr876.49	+0.22	8.37
Canadian $	C$37.73	+0.05	8.13
D-Mark	DM51.525	+0.005	4.65
Dutch Guilder	DFl51.105	+0.005	4.89
French Franc	FFr169.165	+0.050	10.88
Italian Lire	L38.592	15	14.44
Jap Yen	Y6.390.40	+1.00	5.42
Singapore $	S$65.36	+0.010	8.09
Sterling	£14.738	+0.004	8.11
Swiss Franc	SwFr46.282	+0.002	1.15
U.S. Dollar	$30.215	+0.010	8.50

QC International Reserves Ltd
Daily dealings.
For other Rothschild Offshore Funds see Offshore and Overseas section.

Schroder Mngt Services (Jersey) Ltd
PO Box 195. St Helier. Jersey. 0534 27561
Schroder Money Funds Ltd

Sterling	£14.3741	....	—
U.S. Dollar	$26.9113	....	—
D-Mark	DM51.8552	....	—
Swiss Franc	SwFr51.3597	....	—

J. Henry Schroder Wagg & Co Ltd
120 Cheapside, EC2. 01-382 6000

Naess&ThDec7	$56.03	....	—

Standard Chartered Off Money Mkt Fd
PO Box 122. St Helier. Jersey. 0534 74454

Sterling	£10.2140	+0.0023	8.58
U.S. Dollar	$20.4270	+0.0048	8.45
D Mark	DM50.5566	+0.0032	2.82
Japan Yen	Y5.070.5192	+0.7756	5.58

State St Bank Equity Hldgs NV
Car Mgt Co. 6 John B Gorsiraweg, Curacao.
Net asset value Dec 6 $8.52.

Taiwan (R.O.C.) Fund
c/o Vickers da Costa Ltd. King William St. London EC4. 01-623 2494
NAVNT $404. IDR Value U.S.$10,052.25

Target Trust Mngrs (Jersey) Ltd
PO Box 194. St Helier. Jersey. 0534 27441

Mgd Cur Fd	97.9	103.01	+0.1	—

Tyndall-Guardian Management Ltd
PO Box 1256. Hamilton, Bermuda.

T-G Am	$22.28	-0.12	—
T-G Money	$21.93	+0.03	—
T-G E'bond	$15.56	+0.03	—
T-G Com	$21.98	+0.36	—
T-G Mort	C$20.34	+0.04	—
T-G O'seas	$12.53	-0.27	—
T-G Pacific	Y2.087	+36.0	—
T-G Wall St	$26.04	-0.27	—
T-G Gold	$9.56	-0.29	—

United Fund Managers Ltd
16-18 Queens Road Central. Hong Kong. 5-231417

S&MlyT	$10.58	11.03	....	—

Insurances—continued

Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar. 0707-42311
Pension Funds

EqPen FdAc	615.2	647.5	-1.1	—
EuroFdAc	95.0	100 0	....	—
FixedPenAc	420.0	442.0	....	—
GrMonPnAc	250.3	263.5	....	—
IntlManFd	264.1	277.9	+0.8	—
JanPenFd	126.8	133.5	-0.6	—
AmPnFdAc	133.1	140.0	-0.2	—
PropPenAc	228.2	241.2	+0.1	—
MpInPnAc	523.2	550.7	....	—

Capital Life Assurance
24 Ludgate Hill. EC4P 4BD

Key Inv Fd	—	122.24	....	—
PackmkrInvFd	—	122.24	....	—
Equity Fd	99.87	105.13	....	—
FxdIntFd	98.46	103.64	....	—
Property Fd	96 75	101.84	....	—
Cash Fd	96.75	101.84	....	—
Mngd Fd	100.17	105.44	....	—

Commercial Union Group
St Helens. 1 Undershaft, EC3. 01-283 7500

VarAnUtsDc10	—	149.52	....	—
VarAnUtsDc16	—	33 28	....	—
Prime Series				
Managed	127.5	134.3	-0.4	—
UK Equity	129 4	136.3	-0.7	—
Int Equity	127.4	134.2	+0.4	—
Property	103 0	108 5	....	—
Fixed Int	110.2	116.1	-0.9	—
Index Lk Gt	90.4	95.2	....	—
Cash	99.7	105.0	....	—
Hand-in-Hand				
Cash	121.6	128 1	....	—
Fixed Int	142.6	150.2	....	—
Property	141 8	149 3	....	—
NatWest	185.1	194.9	....	—

Continental Life Assurance PLC
64 High St Croydon CR0 9XN 01-680 5225

Equity Acc	159.8	168.3	....	—
Propty Acc	154 2	162 4	....	—
Int Acc	151.6	159.6	....	—
ManagdAcc	156 1	164.4	....	—
Spec Sits	120.4	126.8	....	—

Pen Int Acc	143.2	150.8	....	—
Pen Prp Acc	168.7	177.6	....	—
Pens Equity	183.2	192.9	....	—
Pen Mg Acc	161.5	170.0	....	—

Gilt Deposit. Index Fund prices available on request.

Crown Life
Crown Life House. Woking GU21 1XW. 048862-5033

PenMnyAcc	126.3	132.9	+0.3	—
PenMnyInt	115.5	121.5	+0.3	—
PeCormtFd	178.6	187.9	....	—
BrewinEqFd	248.1	261.1	....	—
StratInvFd	138.7	145.9	....	—
Heritage Fd	135.3	142.4	....	—
Sage Fd	117.5	123.7	....	—
DBS Mangd	137.1	14.3	....	—

Friends' Provident Life Office
Pixham End. Dorking. (0306) 885055
Life Funds

Cash Accum	97.8	103.0	....	—
UK Eqt Acc	109.8	115.6	-0.5	—
Fxd Int Acc	101.8	107.2	+0.1	—
IndexLkdAcc	93.0	97.9	....	—
Mixed Acc	104.6	110.2	-0.1	—
O'seas Eq Fd	104.5	110.0	+0.8	—
Property Acc	99.1	104.4	....	—
Pension Funds				
Cash Cap	98.0	103.2	....	—
Cash Acc	100.0	105.3	....	—
UK Eq Cap	104.9	110.5	-0.3	—
UK Eq Acc	107.1	112.8	-0.3	—
FixedIntCap	100.7	106.0	....	—
FixedIntAcc	102.6	108.1	....	—
IndexLkdAcc	92.6	97.5	....	—
IndexLkdAcc	92.6	97.5	....	—
Mixed Capt	102.1	107.5	....	—
Mixed Acc	104.3	109.8	+0.1	—
O'seasFdCp	106.5	112.2	+1.1	—
O'seas Acc	108.8	114.6	+1.1	—
Propty Captl	94.7	99.7	....	—
Propty Acc	96.7	101.8	....	—

General Portfolio Life Ins Co Ltd
Crossbrook St. Cheshunt, Herts. Waltham Cross 31971

PrtfloFdInA	255.9	269.4	....	—
PrtfloEqCap	243.7	—	....	—
UK Equity	97.9	103.1	....	—
O'seas Equity	96.6	101.8	....	—
Smaller Cos	94.2	99.2	....	—
Gilt Plus	96.2	101.3	....	—
Gilt Plus 88	94.6	99.6	....	—
FixedIntDep	95.2	100.4	....	—
Managed	97.1	102.3	....	—
Inter Man	96.6	101.8	....	—

Guardian Royal Exchange
Royal Exchange EC3. 01-283 7107
GRE Pensions Management Ltd.

PensProInt	130.9	137.8	....	—
PensProAcc	142.4	149.9	....	—
PensLkGtIn	95.8	100.8	....	—
PensLkGtAc	97.1	102.2	....	—
PensDepInt	138.5	145.8	....	—
PensDepAcc	150.8	158.7	....	—

Henderson Administration
26 Finsbury Sq. London EC2. 01-638 5757

High Inc	144.8	152.5	-0.1	—
Gilt Edged	96.7	101.2	+0.1	—
Cap Growth	145.5	153.2	....	—
Technology	173 8	183.0	+0.6	—
Nat Res'ces	137.2	144.5	+1.0	—
Spec Sits	192.0	203.2	+0.5	—
N America	229.3	241.4	+1.2	—
Far East	194.5	204.8	+0.4	—
Managed	192.0	202.2	+0.4	—
Property	117.1	123.3	....	—
Prime Res	117.8	124.0	....	—
Deposit	110.0	124.3	....	—
MgdCurrncy	95.0	100.0	-0.2	—
GlbHlthCare	93.7	98.7	-0.3	—
Pension Funds				
UK Equity	107.5	113.2	+0.1	—
Fixed Int	112.1	118.0	+0.1	—
Spec Sits	124.7	131.3	+0.2	—
N America	116.4	122.6	+0.7	—
Far East	133.8	140.9	+0.3	—
Managed	118.6	124.9	-0.1	—
Comm Prop	101.4	106.8	....	—
Prime Rest	107.0	112.7	....	—
Deposit	101.4	106.8	....	—

Capital unit prices available on request.

Gilt Pen Fd	190.8	202.2	....	—
GlobalEqPen	58.1	61.5	....	—

Kinsman Assurance Society
43 Charlotte Sq, Edinburgh, 031-225 6186

Life Assur	205.9	213 2	....	—
Savings Nrw	127.2	129.8	....	—
Savings Wde	190.4	194.3	....	—

Liberty Life Assurance Co Ltd
Station Rd. New Barnet. 01.440 8210
Fund Managers. Touche Remnant & Co.

Sel Sec A	23.4	24.7	....	—
Blue Chip	18 1	19.1	....	—
Grntd Money	14.9	15.7	....	—
Managed	17.6	18.6	....	—
International	23.2	24.5	....	—
Property	14.3	15.1	....	—
Pacific	17.5	18 5	....	—
Equity	14.2	15.0	....	—
Special Sits	20.2	21.3	....	—
International	12.6	13.3	....	—
Indx Lkd Secs	10.5	11.1	....	—

London Life Linked Assurance Ltd
100 Temple St, Bristol BS1 6EA. 0272-279179

Equity	224.7	231.4	....	—
Fixed Int	170.5	171.1	....	—
Property	167.0	172.0	....	—
Deposit	143.1	143.1	....	—
Mixed	193.6	197.7	....	—
Index Stk	109.1	109.6	....	—
International	116.8	119.1	....	—

London Life Managed Funds Ltd.

Equity(P)	162.3	167.9	....	—
Fixed Int(P)	175.6	177.1	....	—
Property(P)	123.5	127.7	....	—
Deposits(P)	123.4	123.4	....	—
Mixed(P)	154.5	158.2	....	—
Index Stk	115.5	116.3	....	—
Int Equity	113.4	115.6	....	—

Moneywise Friendly Society
80 Holdenhurst Rd, Bournemouth. 0202 295678

Mnywise Int.	49.5	52.7	....	—

Municipal Life Assurance Ltd
99 Sandling Rd. Maidstone. 0622 679351

Equity Fd	97.0	104.0	....	—
Managed Fd	105.0	111.0	....	—

Premium Life Assurance Co Ltd
Eastchester House, Haywards Heath. 0444 458721

Nat Res'ces	104.0	110.0	....	—
Property	140.0	148.0	....	—
UK Equity	140.0	148.0	....	—
Intl Equity	126.0	133.0	....	—
Jarrets Fd	93.0	98.0	....	—

Prudential Pensions Ltd
Holborn Bars, EC1 2NH 01-405 9222
Pru-Link Retirement Plan

Managed Fd	149.0	155.3	....	—
Cash Fund	114.7	115.5	....	—

St George Assurance Co Ltd
The Priory, Hitchin, Herts. 0462 57161

Managed Fd	104.7	110.3	....	—
Universal Fd	103.0	108.5	....	—

Save & Prosper Group
4 Gt St Helens. London EC3P 3EP. 0708 66966

DepPenFd*	189.1	200.2	....	—
GiltPenFd*	190.0	201.1	-0.3	—
GlblEqPenFd	59.2	62.7	....	—

Scottish Provident Institution
6 St Andrew Sq, Edinburgh. 031-556 9181

Mixed	97.6	102.9	+0.2	—
Equity	98.7	104.0	+0.2	—
International	100.6	105.9	+0.7	—
Property	95.2	100.3	....	—
Fxd Interest	95.6	100.7	-0.3	—
Index Lkd	95.0	100.1	....	—
Cash	95.5	100.6	....	—
Pen Mxd Int	97.4	102.7	+0.1	—
Do Ord	97.8	103.0	+0.1	—
Pen Eq Int	98.7	104.0	+0.1	—
Do Ord	99.0	104.4	+0.2	—
Pnl Intl Init	101.0	106.4	+0.9	—
Do Ord	101.2	106.6	+0.8	—
Pen Prop Init	95.1	100.2	....	—
Do Ord	95.4	100.5	+0.1	—
Pen FV Int In	95.4	100.5	+0.1	—
Do Ord	95.7	100.8	-0.3	—
Pen Ind Lk In	94.7	99.8	....	—
Do Ord	95.0	100.1	....	—
PensCashInit	95.4	100.6	+0.1	—
Do Ord	95.7	100.8	+0.1	—

Skandia Life Assurance Co Ltd
Frobisher Hse. Southampton. 0703 334411

Managed	155.2	163.4	....	—
Equity	162.1	170.6	-0.4	—
International	182.2	191.8	+0.4	—
N America	109.3	115.0	+0.6	—
N European	108.0	113.7	-0.1	—
Pacific	114.3	120.3	-0.2	—
Int Recovery	115.4	121.5	+0.9	—
Gilt Plus	142.7	150.2	....	—
Property	129.6	130.4	....	—
Deposit	132.8	139.6	....	—
PensManged	186 3	196.1	....	—
Pens Equity	191.1	201.2	-0.6	—
Pens Intl	224.1	235.9	+0.5	—
PensNAmer	111.9	117.8	+0.7	—
PensNEuro	112 2	118.1	....	—
Pens PacificAc	118.8	125.1	-0.3	—
PensIntRec	120.0	126.3	+1.2	—
Pens Gilt Plis	172 3	181 4	+0.1	—
Pens Prpty	158.6	166.9	....	—
Pens Dep	183.1	171.7	+0.1	—

For prices of Capital Units and Guaranteed Basic Rates please phone 0703 334411.

Swiss Life Pensions Ltd
99-101 London Rd. Sevenoaks. 0732 450161

Equity	£104.82	108.06	....	—
Fixed Int	£104.67	105.19	....	—
IndexLkd	£100.34	100.84	....	—
Property	£112.99	116.48	....	—

Cash	£101.48	101.48	....	—
Mixed	£104.48	107.71	....	—

Next sub. day January 3.

Target Life Assurance Co Ltd
Target House, Gatehouse Road, Aylesbury, Bucks. Aylesbury (0296) 5941

Sterling	—	—	....	7.5
U.S. Dollar	—	—	....	5.5
Swiss Franc	—	—	....	—
Deutsch Mark	—	—	....	2.8
Yen	—	—	....	3.6

TSB Life Ltd
PO Box 3, Keens House, Andover, Hants. SP10 1PG.

Managed Fd	107.3	113.0	+0.1	—
Property Fd	98.7	104.0	....	—
Fixed Int Fd	102.1	107.6	....	—
Money Fd	98.6	103.9	....	—
Equity Fd	117.2	123.4	+0.3	—

Windsor Life Assurance Co Ltd
Royal Albert Hse. Sheet St. Windsor 68144

N Amer Fd	207.3	218.2	....	—
FutAssGth	86.0(A)	91.0(B)	....	—
Retired	—	53.40	....	—
Far East Fd	130.0	136.8	....	—

Money Market Trust Funds

	Nom	APR	Int cr	Notice
Mallinhall Limited				
36 Berkeley Sq. W1X 5DA. 01-499 6634				
MllnhllMnyFd	8.79	9.11	Qtr	Call
The Money Market Trust				
63 Qn Victoria St EC4N 4ST. 01-236 0952				
Call Fund	8.71	8.92	6mth	Call
7 Day Fund	8.76	8.97	6mth	7day
Oppenheimer Fund Management Ltd				
66 Cannon St. EC4N 6AE. 01-236 0233				
Call Fund	8.53	8.71	6mth	Call
7-day £	8.65	8.83	6mth	7day
High-intDepAcc	8.53	8.71	6mth	1day
Dollar	8.31	8.48	6mth	2day

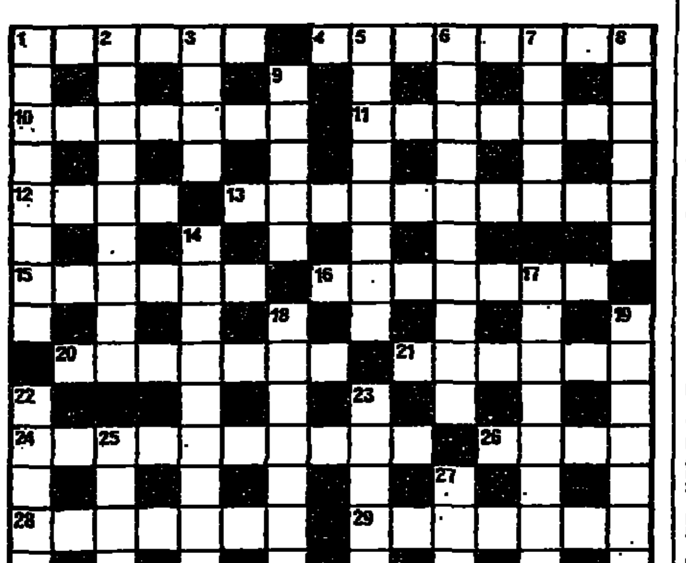
Money Market Bank Accounts

	Nom	APR	Int cr	Notice
Aitken Hume				
1 Worship St. EC2A 2HQ. 01-638 6070				
Treasury Acc	8.75	9.04	Qtr	Call
MthlyIncAcc*	8.65	9.00	Mth	Call
Bank of Scotland				
38 Threadneedle St. EC2P 2EH. 01-628 8060				
Cheque Acc*	8.75	9.11	Mth	Call
Britannia Gp of Unit Trusts Ltd				
29 Finsbury Circus. EC2M 5QL. 01-588 2777				
Cater Allen*	8.87	9.24	Mth	Call
Dartington & Co Ltd				
Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
MnyMktAcc*	8.75	9.04	Qtr	Call
Lombard North Central PLC				
17 Bruton St. W1A 3DH. 01-409 3434				
Notice Deposit	9.0	9.2	Rate change	14 day
Save & Prosper				
28 Western Rd. Romford RM1 3LB. 0708 66966				
FlmlngHighInt*	8.34	8.70	Daily	Call
Tyndall & Co				
29/33 Princess Victoria St. Bristol BS8 4BX 0272 732241				
Demand Acc	8.76	9.05	Qtr	Call
Money Acc	8.75	9.05	Qtr	Chq/7
J. Henry Schroder Wagg and Co Ltd				
120 Cheapside, London EC2V 6DS. 01-382 6225				
Special Dep	8.50	8.70	6mth	7 day

*Cheque book facility available.

NOTES—Interest is calculated on the basis of a nominal rate for a given period but will not be comparable between funds or accounts if the intervals between interest credits differ. The annual percentage rate (APR) is comparable, although it will only represent the amount actually earned in a year if interest rates are unchanged. Notice periods relate to penalty-free minima: in some cases earlier availability may be possible at an interest cost.

F.T. CROSSWORD PUZZLE No. 5,293



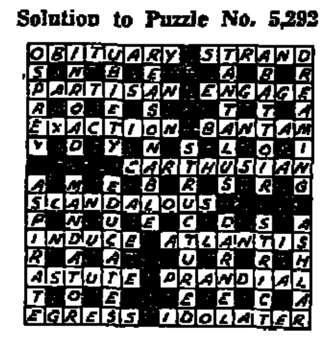
ACROSS

1 Illegal instrument? (6)
4 Beat this for a political slogan (8)
10 Care for the railway children's place (7)
11 Discharged and made vacant (7)
12 Scraps enjoyed by students (4)
13 Document required when handing over a vehicle (10)
15 Does not arise from falsehood and evil (4,2)
16 Tessa is out and about in a Surrey town (7)
20 Chief opponent out of reach (4-3)
21 Capital form of punishment (6)
24 Additional protection in the field (5,5)
26 Wise men having a different image out East (4)
28 Lays bare in Dundee's rebuilding (7)
29 Eggs turn into cheers (7)
30 Just look at the lads running amok—they're disgraceful (8)
31 He's too upset to calm down (6)

DOWN

1 Grave commitments for which NUR and ASLEF combine (8)
2 It's essential, if you want to speak French (2, 7)
3 A vegetable boat capsized (4)
5 Never eat, perhaps, and weaken (8)
6 Choke him off, his PAYE tax is not in order (10)
7 An astronomical figure (5)
8 One boy about to finish up as an admiral (6)
9 Two learners in the mountains (5)
14 Overbearing attitude of one surrendering? (4-6)
17 Such a rite is suited to a solemn sacrament (9)
18 Enormous deficit in solid fuel (8)
19 In Genesis a derelict property is made over to him (8)
22 They're plain to S Africans (6)
23 The spirit of my French translation (5)
25 Chinese society has a place in the Pacific (5)
27 Turn up the gas-ring to cook it (4)

Solution to Puzzle No. 5,292



INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.		240.45	.....	—
Managed Inv. Fd.	162.44	170.99	.....	—
Property Fd.	151.83	159.83	.....	—
Fixed Interest Fd.	148.31	156.12	.....	—
Cash Fd.	136.98	144.19	.....	—
Income Fd.	178.18	187.56	.....	—
Extra Income Fd.	165.72	174.45	.....	—
Worldwide Growth Fd.	228.64	240.68	.....	—
Balanced Fd.	179.70	189.16	.....	—
Smlr Co's & Recv. Fd	205.34	216.15	.....	—
Int. Technology Fd.	267.38	281.46	.....	—
Nth. Amer. & Gen. Fd.	165.50	174.22	.....	—
Energy Int. Fd.	103.27	108.71	.....	—
Pacific Basin Fund	142.93	150.46	.....	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	114.4	120.4	.....	—
Property	118.0	124.2	.....	—
Equity	117.9	124.1	.....	—
International	126.5	133.2	.....	—
Fixed Interest	103.3	108.7	.....	—
Deposit	100.0	105.2	.....	—
Managed Pen. Cap.	114.8	120.8	.....	—
Property Pens. Cap.	119.6	125.9	.....	—
Equity Pens. Cap.	112.8	118.8	.....	—
Intnl. Pens. Cap.	130.4	137.3	.....	—
Fixed Int. Pens. Cap.	100.6	105.9	.....	—
Deposit Pens. Cap.	97.6	102.7	.....	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Nov 30		97.1	.....	—
Retmt. Fed. Nov 6		255.4	.....	—
Managed Pen Fund	186.7	196.5	.....	—
Property Pen Fund	115.1	121.2	.....	—
Index Lnkd Pen Fund	111.8	117.7	.....	—
Managed	123.7	130.3	-0.1	—
Property	104.5	110.0	.....	—
Gilt and Fixed Interest	107.7	113.4	.....	—
Index-Linked	98.3	103.5	.....	—
Equity	123.0	129.5	-0.3	—
Cash	104.6	110.2	.....	—

G.T. Management Ltd.
16 Finsbury Circus, Lond EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	125.4	132.1	-0.1	—
GT Pln High Yld Fnd	125.7	132.4	+0.2	—
GT Plan Far East Fnd	120.9	127.3	+0.3	—
GT Plan N. Am Fd	140.9	148.4	+0.6	—
GT Pln UK&G E. Fnd	139.9	147.3	+0.3	—
GT Pln Wrldwde Fnd	140.3	147.5	+1.0	—
GT Pension Bnd Fnd.	135.8	143.0	-0.1	—
GT Pen High Yld Fd.	143.4	151.0	+0.3	—
GT Pen Far East Fd.	148.2	156.0	+0.4	—
GT Pen N. Am. Fd.	206.7	217.4	+0.8	—
GT Pen UK & G.E. Fd.	162.8	171.4	+0.3	—
GT Pen Worldwide Fd.	149.7	157.6	+1.2	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	166.9	175.7	.....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.	256.0	.....	—
Portfolio Fd. Inl.	210.4	.....	—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	278.2	293.2	.....	—
Money Fd	156.3	164.6	.....	—
Equity Fd.	237.2	249.9	.....	—
Fixed Int. Fd.	119.8	126.2	.....	—
Property Fd	174.0	182.3	.....	—
Managed Pen. Fd.	256.3	270.1	.....	—
Equity Pension Fd	186.0	196.0	.....	—
Fixed Int. Pen. Fd	166.2	175.1	.....	—
High Yield Pen. Fd.	163.8	172.6	.....	—
Money Pension Fd.	129.2	136.0	.....	—
Property Pension Fd	128.2	135.1	.....	—

Gresham/Framlington

American & Gen. Fd.	255.6	269.3	-0.5	—
Income Fd	189.9	200.1	+0.5	—
Int'l. Growth Fd	275.2	290.0	.....	—

OFFSHORE AND OVERSEAS

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	21.4	22.3	.....	—
Chinese Fund	65.4	68.1	.....	—
Precious Metal Fund	119.4	124.3	.....	—
Vanguard Cmdy. Fd.	33.8	34.7	.....	—
Financial Futures Fd.	62.9	65.4	.....	—
Wren Intl. Fnd.*	$0.438	0.457	.....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. ● Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

COMMODITIES AND AGRICULTURE

EEC reaches interim deal on import of NZ butter

BY IVO DAWNAY IN BRUSSELS

EEC Agriculture Ministers finally agreed yesterday to an interim deal allowing a further 13,833 tonnes of New Zealand butter to be exported to the Community for the first two months of 1984 at preferential tariff rates.

*The settlement, which fore*stalls a total ban on low-tariff New Zealand butter imports from January 1, was only reached after French and Irish opponents of the quota levels insisted that their agreement would not prejudice new talks in February.

The 13,833-tonne level represents ⅙th of the 83,000 tonne annual quota initially proposed by the Commission.

Britain, which had been pressing for a quota of 85,000 tonnes, welcomed the compromise yesterday, although it was acknowledged that comprehensive new talks will be necessary for a five-year settlement sought by New Zealand to be reached.

France's insistence that a comprehensive butter agreement must be linked to a new sheepmeat package may backfire in the spring, however. The New Zealanders have noted that a voluntary restraint agreement limiting lamb exports to France and Ireland is due to expire at the end of March.

Budgetary uncertainties prevented the ministers from reaching agreement on most other issues during the two-day talks.

Mr Poul Dalsager, the Agriculture Commissioner, again emphasised that funds for the policy would quickly be exhausted if agreement on the Commission's July package of reforms was not reached.

Mr Michael Jopling, British Agriculture Minister, said the crisis was now beginning to concentrate minds. "There is a growing realisation that there are no short cuts or easy ways of buying our way out of the situation or avoiding it by other means."

Most immediately affected will be farmers in less-favoured areas following the failure of the agriculture ministers to agree an interim deal allowing aids from structural funds to continue after the new year.

In the case of UK hill farmers, this could mean the loss of £20m in general grants and a further £25m under EEC provisions for hill-grazed livestock.

NY sbrd eta shr cm shr cmfwy

This could be made up, however, by national governments aid programmes which in the UK already constitute 80 per cent and 75 per cent of existing hill-farmer aids respectively.

Outlook gloomy for tungsten pact talks

BY ANTHONY McDERMOTT IN GENEVA

THERE IS little hope of an international agreement on tungsten prices and supplies emerging from the latest round of talks in Geneva this week between the 30 leading producers and consumers of the metal.

The countries concerned have been searching for a pact since 1974 but little progress has been made.

This week's talks are being held against a background of surplus supplies and low prices. The secretariat of the UN Conference on Trade and Development (Unctad) claimed that prices during the first six months of this year were lower in real terms than at any time since 1965 and only about a third of the 1977 peak.

Mr A. Ashiabor, commodities division director of Unctad, hinted that a full agreement was unlikely. He referred to this week's talks as an occasion to renew contacts between representatives and experts from leading tungsten exporters and importers and suggested the time might be ripe to consider proposals for a more informal agreement rather than a full-scale pact aiming to control prices.

There is little prospect, according to Unctad, of a significant reduction in the tungsten surplus. A major factor in the fall in demand has been a decline in drilling activity for oil, gas and other minerals in North America cutting the use of tungsten in special steel alloys.

Consumption of tungsten fell by an estimated 30 per cent in 1982, and was "substantially lower" again this year.

Production has come down, too, but not to the same extent. Chinese output is estimated to have declined from 13,500 tonnes in 1981 to 11,350 tonnes in 1982, while Soviet Union production stayed unchanged at 8,850 tonnes.

An important psychological influence depressing the market has been sales of surplus tungsten from the U.S. strategic stockpile. But in any event, supplies of tungsten are predicted to remain more than adequate, given the available production capacity, especially in Australia and Canada.

Metal prices depressed by interest rate fears

By Our Commodities Editor

FEARS THAT U.S. interest rates will remain high depressed aluminium, copper and precious metal prices in London yesterday in spite of the continued fall in the value of sterling against the dollar.

Cash aluminium lost £11 to £1,077.5 a tonne and cash higher grade copper closed £6.5 down at £999 a tonne on the London Metal Exchange.

Tin was sustained by support buying from the buffer stock of the International Tin Council which offset a fall in the Straits tin price in Penang overnight of M$0.14 to M$29.25 a kilo, only 10 cents above the Tin Agreement floor level.

Lead held firm following news that Asarco had lifted its U.S. selling price back to 24 cents, rescinding a cut to 23 cents announced on Monday. However, Asarco reduced its copper price from 69 to 68.50 cents a pound.

● **INDONESIA** is to buy 45,000 tons of rice and 88,000 tons of wheat from the U.S. under a $30m (£21m) soft loan agreement signed in Jakarta at the weekend. The agreement provides for the proceeds of the sales to be used as assistance from the U.S. to support rural development projects in Indonesia.

● **RUBBER** output from peninsular Malaysia in September fell to to 133,353 tonnes from an upward-revised 144,186 tonnes in August and 134,122 tonnes in September last year. Production for the first nine months dropped to 1.06m tonnes from 1.08m in the same period last year.

● **THAILAND'S** Cabinet has approved a controversial plan formulated by Kosol Kraikirsh, Commerce Minister, to export paddy (unmilled rice) to the European Community.

COMMON FISHERIES POLICY

Ministers tackle the herring

BY IVO DAWNAY

THE seven-year goal of a comprehensive agreement on a Common Fisheries Policy for the EEC lies tantalisingly within reach of Community *fisheries ministers today.*

The chief remaining obstacle is the herring—the one species that escaped the net when a comprehensive package of CFP agreements was landed last January.

But in the past few weeks, the question of the general level of quotas for all the species along with the perennial arguments over fishing in Greenland waters have also served to muddy the waters.

The herring argument centres on the minimum levels of catches acceptable to member states. Until recently, the Commission estimated that these totalled 125 per cent of the maximum that conservation measures could allow to be caught.

Today, however, reports from the Commission suggest that the Danes, Dutch and British — the main protagonists in the row — may be only a couple of percentage points away from an agreement. Provisional scientific reports received by the Commission also suggest that *herring stocks have recovered* well after a six-year ban on fishing.

If so, the 150,000 tonnes mooted by the Commission as *a possible Total Allowable* Catch (TAC) for 1984 could be revised upwards when the latest data is assessed in May, thereby allowing greater national tonnages and relieving intense political pressure on governments.

The second question mark that hangs over today's talks *centres on TACs for other* species. Failure to reach agreement on the allowable catches for this year forced ministers to roll over the 1982 figures.

The Commission argues that under the roll-over agreement these expire on December 31 and cannot be imposed again. What is more, it points out, presure on stocks through overfishing would make a further implementation at 1982 levels disastrous.

However, figures for 1984 released last week were greeted with horror by several delegations. The British, in particular, were alarmed at projections for cod which called for a cut of about 30 per cent for UK fishermen.

The 1983 roll-over or the alternative 1984 figures are set to occupy many hours of today's debate. But Commission officials *have made clear that they will* vigorously oppose any attempt to roll-over once again the 1982 figures—a proposition understood to be favoured by some delegations.

Furthermore the Commission believes if no agreement is reached it can arbitrarily impose, under Community rules, a provisional implementation of its 1984 TACs for three months until agreement is reached. This, too, may be challenged.

The last problem centres on *Greenland, which is seeking a* total ban on EEC cod fishing in its western waters in opposition to a Commission proposal allowing the Greenlanders 83 per cent of a total 75,000-tonne catch.

The common view is that the Danes, who represent the Greenlanders' interests, should be able to defuse the issue at least temporarily to clear the way for a deal.

Either way, fisheries watchers in Brussels are expecting a late night.

Forecast of world grain output revised

WORLD GRAIN production for the 1983/84 season is now forecast by the U.S. Agriculture Department to be 1,602m tonnes — nearly 13m above last month's estimate but still 5 per cent below last year's record.

World wheat output is now forecast to be 485m tonnes, 1 per cent above the 1982/83 record.

Significant increases have been made in estimates of harvests in China and Western Europe. Recent favourable weather has also led to an increase in the Australian forecast to a record 19.5m tonnes. But the forecast for Argentina is down to 12m tonnes because of hot, dry conditions, the USDA said.

The world coarse grain crop forecast has been raised by 4.5m tonnes to 686m tonnes, but remains 12 per cent below last year's record. There have been *significant* upward revisions in forecasts of the size of the Chinese, Indian, Mexican, Indonesian and Canadian harvests and downward revisions *for Eastern Europe and Nigeria.*

The USDA now forecasts world oil seed production to be 16[illegible]m tonnes, up 0.7 per cent from last month, but 16.1m tonnes or 9 per cent below last year's figure. Most of the upward revision is due to Chinese cotton seed production being bigger than expected.

World cotton output in 1983/84 is now forecast to be 66.5m bales, nearly 1.2m above last month's forecast but 1.2m below last year's output,

Reuter

India acts to regulate holdings of tea stocks

By John Elliott in New Delhi

THE Indian Government yesterday introduced a system of compulsory registration for all tea dealers holding stocks of more than 1,000 kg in an attempt to prevent hoarding at a time when domestic prices have been rising sharply.

In another move aimed at bringing down the domestic price of tea, manufacturers such as Brooke Bond, Tata (previously Tata Finlay) and Liptons agreed with the Commerce Ministry to prune profit margins and bring down prices of packaged tea by about 20 per cent.

The industry has also agreed to sell more tea through auction to help the Government know more about the position of stocks.

Yesterday's registration move was intended to discourage domestic manufacturers, brokers, commission agents and warehouse companies from hoarding tea over the next two or three months in the hope of further increases in domestic prices. These have already doubled in the past year.

Tea production in India has risen from about 56[illegible]m kg to 585m kg during the past 12 months but domestic and export demands have risen at the same time. India has also been affected both by the boom in world tea prices and by extensive buying in October by the Soviet Union which overtook the UK as India's biggest tea customer three years ago.

About 1,000 companies are likely to be hit by the regulation issued yesterday under India's essential commodity legislation. Dealers with stocks of more than 1,000 kg will have to file fortnightly returns.

Similar measures were taken in 1977-78, the last time there were tea shortages.

PRICE CHANGES

In tonnes unless stated otherwise	Dec. 13 1983	+ or —	Month ago
Metals			
Aluminium	£1050	......	£1050
Free Mkt	$1580/1610	......	$1510/540
Copper			
Cash h grade	£999	—6.5	£936.75
3 mths	£1025.25	—6	£958.5
Cash Cathode	£983	—5.5	£919.5
3 mths	£1008	—6.25	£943
Gold troy oz	$389.375	—2.25	$383.125
Lead Cash	£281.75	......	£275.25
3 mths	£291.75	—0.125	£285.25
Nickel	£4646.34	......	£4646.34
Free Mkt	205/235c	......	208/228c
Palladium oz	$165.00	—2.75	$145.25
Platinum oz	£278.35	—2.05	£261.55
Quicksilver†	$305/315	......	$310/320
Silver troy oz	657.55p	—2.75	610.20p
3 mths	672.25p	—2.25	624.05p
Tin cash	£8732.5	+37.5	£8660
3 month	£8882	+41.5	£8777.5
Tungsten	$76.08	......	$78.25
Wolfr'm 22.04 lb	$68/72	......	$69.73
Zinc Cash	£596.5	......	£595.5
3 mths	£610.75	—1	£609.75
Producers	$950	......	$925

	Dec. 13 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$995x	......	$900
Groundnut	$850x	......	‡
Linseed Crude	‡	......	‡
Palm Malayan	$705v	......	$660
Seeds			
Copra Phil	$670x	+10	$685
Soyabean (U.S.)	$312	—1	$331.25
Grains			
Barley Fut. Mar	£123.85	—0.35	£119.90
Maize	£146.50	+0.5	£145.00
Wheat Fut. Mar	£123.70	—0.25	£121.00
No 2 Hard Wint	‡	......	‡
Other commodities			
Cocoa ship't*	£1875	......	£1606
Fut. March	£1814.5	......	£1576.5
Coffee Ft. Mar	£2005.5	+28	£1884
Cotton A.Index	89.60c	+0.1	89.30c
Gas Oil. Jan	$244	—0.25	$250
Rubber (kilo)	86.50p	+1	79p
Sugar (Raw)	£137x	—1	£138
Woolt'ps 64s	418p kilo	+7	401p kilo

‡ Unquoted. v Jan. x Dec-Jan. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

Gas oil traded in a narrow range above the previous close throughout the morning. U.S. expectations of a BNOC price cut pushed the market to the lows on the reopening, but it quickly moved back a dollar on denials from the British company.

Crude oil traded lower on the U.S. story, but steadied again in line with gas oil, reports Premier Man.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.20-28.35	+0.02
Iranian Light	27.85-28.05	—
Arab Heavy	26.20-26.30	—
North Sea (Forties)	28.60-28.75	—
North Sea (Brent)	28.65-28.80	+0.07
African(Bonny Li'ht)	28.80-29.00	—
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	271-277	—1.0
Gas oil	247-254	+2.0
Heavy fuel oil	168-172	—

CRUDE OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per brl		
Feb	28.62	—0.08	—
Mar	28.39	—0.05	28.59-28.30
Apr	28.34	—0.05	28.34-28.28
May	28.32	—0.03	—
June	28.32	—0.02	—

Turnover: 31 (86) lots of 1,000 barrels.

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Dec	244.50	—0.50	245.50-244.0
Jan	244.00	—0.25	245.25-243.0
Feb	241.50	—0.75	243.00-241.0
Mar	237.50	—0.75	239.00-237.0
April	234.00	—1.50	235.50-233.5
May	233.00	—0.25	235.00-233.0
June	232.50	—	234.00-233.0
July	233.00	—0.25	—
Aug	234.00	+1.00	—

Turnover: 1,050 (1,045) lots of 100 tonnes.

GOLD MARKETS

Gold fell $2¼ to $389-389½ on the London bullion market yesterday. The metal also opened at $389-389½, and was fixed at $389.75 in the morning, and $389.20 in the afternoon. It touched a peak of $390¼-391¼, and a *low of $388¼-389.*

In Paris the 12½ kilo gold bar was fixed at FFr 105,700 per kilo ($391.24 per ounce) in the afternoon, compared with FFr 105,300 ($389.53) in the morning, and FFr 104,850 ($389.76) Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 34,645 per kilo ($390.97 per ounce), against DM 34,680 ($392.02), and closed at $389¾-390¼, compared with $391¼-391¾.

In Luxembourg the 12½ kilo bar was fixed at the equivalent *of $389.80 per ounce, against* $390.35.

In Zurich gold finished at $389¾-390, compared with $391¼-$392.

	Dec. 13		Dec. 12	
Gold Bullion (fine ounce)				
Close	$389-389¼	[illegible]	[illegible]	[illegible]
Opening	$389-389¼	[illegible]	[illegible]	[illegible]
Morning fixing	$389.75	[illegible]	$390.50	[illegible]
Aftern'oon fixing	$389.20	[illegible]	$391.25	[illegible]
Gold and Platinum Coins Dec. 13				
Krugrnd	[illegible]	[illegible]	King Sov	[illegible]
½ Krug	[illegible]	[illegible]	Victoria Sov	[illegible]
¼ Krug	[illegible]	[illegible]	French 20s	[illegible]
1/10 Krug	[illegible]	[illegible]	50 pesos Mex	[illegible]
Mapleleaf	[illegible]	[illegible]	100 Cor. Aust	[illegible]
New Sov	[illegible]	[illegible]	$20 Eagles	[illegible]
½ New Sov	[illegible]	[illegible]	Noble (Plat)	[illegible]

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Dec	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]

Turnover: 370 (298) lots of 100 troy ounces.

EUROPEAN MARKETS

ROTTERDAM, December 13. [illegible]

PARIS, December 13 [illegible]

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES were generally depressed on the London Metal Exchange despite renewed weakness in sterling against the dollar. A poor performance by copper in overnight U.S. markets depressed COPPER to around £1,020 in early trading, but the price subsequently picked up to close the afternoon kerb at £1,028.45. In unofficial inter-office trading three months material rallied further to trade around £1,029. LEAD was little changed on balance after Asarco's decision to re-instate its 23 cents a pound producer price. ZINC was quietly steady and closed at £608.5 but ALUMINIUM fell to £1,107 on speculative selling. Currency considerations boosted TIN to £8,870 and NICKEL to £3,365.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	994.5-5.5	—6.75	998.5-9.5	—6.5
3 months	1021-.5	—6.5	1025-.5	—6
Settlem't	995.5	—6.5	—	—
Cathodes				
Cash	979-80	—5.75	982-4	—5.5
3 months	1003.5-4.5	—6.75	1007-9	—6.25
Settlem't	980	—5.5	—	—
U.S. pro'd	—	—	*68-75	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,020, 21, 20.50, 20, 21, 21.50. Cathodes: Cash £979, three months £1,004. Kerb: Higher Grade: Three months £1,022, 22.50. Afternoon: *Higher Grade: Three months £1,027,* 27.50, 27, 26.50, 25.50, 25. Kerb: Higher Grade: Three months £1,025.50, 25, 25.50, 26, 26.5. Turnover: 50,350 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8750-60	—2.5	8785-95	+42.5
3 months	8865-75	—6.5	8900-5	+45
Settlem't	8760	......	—	......
Standard				
Cash	8705-10	+60	8730-5	+57.5
3 months	8855-60	+21	8881-3	+41.5
Settlem't	8710	+20	—	......
Straits E.	$29.25	—0.14	—	......
New York				

Tin — Morning: Standard: Three months £8,840, 42, 45, 42, 44, 45, 48, 45, 50, 53, 55. High Grade: Cash £8,765, 50. Kerb: Standard: Three months £8,852, 55, 60, 65, 68. Afternoon: Standard: Three months £8,880, 81, 82, 84, 81, 85, 84, 83. High Grade: Three months £8,900. Kerb: Standard: Three months £8,875, 72, 70, 65, 70. Turnover: 4,375 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	280-.5	—1.12	281.5-2	......
3 months	290-.25	—1.25	291.5-2	—.25
Settlem't	280.5	—1	—	......
U.S. Spot	[illegible]			

[illegible]

ZINC

[illegible]

ALUMINIUM

[illegible]

NICKEL

71. Kerb: Three months £3,365, 70, 65. Turnover: 904 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3280-5	+5.5	3290-5	+16
3 months	3362-3	+6	3371-2	+15.5

* Cents per pound. ‡ M$ per kilo. † On the previous unofficial close.

SILVER

Silver was fixed 2.75p an ounce lower for spot delivery in the London bullion market yesterday at 657.55p. U.S. equivalents of the fixing levels were: spot $9.38, down 9c; three-month $9.61, down 8.7c; six-month $9.863, down 8.8c; and 12-month $10.38, down 10.3c. The metal opened at 652-654½ ($9.31-9.33) and closed at 656½-659 ($9.31-9.35).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	657.55p	—2.75	656p	—5.5
3 months	672.25p	—2.25	670.25p	—5.25
6 months	688.70	—2.58	—	......
12months	721.65p	—3.55	—	......

LME—Silver (2,000 oz contract)—Three months 669p (674p). Turnover 1 (nil).

Turnover: 143 (95) lots of 10,000 oz. Morning: Large contract three months 673.0, 74.0. Kerb: large three months 673.0. Afternoon: large three months 671.5, 71.0, 70.0. Kerb: three months large 669.0, 70.0, 71.0, 73.0; small three months 670.0.

WEEKLY METALS

All prices as supplied by Metal Bulletin.

ANTIMONY: European free market, 99.6 per cent, $ per tonne, in warehouse 2,450-2,550.

BISMUTH: European free market, min 99.99 per cent, $ per pound, tonne lots in warehouse 1.65-1.72.

CADMIUM: European free market, min 99.95 per cent, $ per pound, in warehouse, ingots 0.87-0.92, sticks 0.88-0.93.

COBALT: European free market, 99.5 per cent, $ per pound, in warehouse 5.75-5.80.

MERCURY: European free market, min 99.99 per cent, $ per flask, in warehouse 309-318.

MOLYBDENUM: European free market, canned molybdic oxide, $ per pound Mo, in warehouse 3.80-3.90.

SELENIUM: European free market, min 99.5 per cent, $ per pound, in warehouse 4.10-4.60.

TUNGSTEN ORE: European free market, standard min 65 per cent, $ per tonne unit WO_3, cif 67-72.

[illegible]

COFFEE

During busy trading, the main feature was the further widening of the January-March switch, reports Drexel Burnham Lambert. Continued dealer interest and general short-covering kept values moving upwards.

COFFEE	Yest'day's Close	+ or —	Business Done
January	2114-15	+80.5	2115-39
March	2005-06	+28.0	2010-81
May	1935-36	+24.5	1938-09
July	1870-75	+20.5	1870-50
Sept	1832-33	+20.0	1833-10
Nov	1800-01	+21.5	1803-84
January	1770-75	+27.5	1775-60

Sales: 4,896 (2,368) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for Dec 12. Comp. daily 1979 140.91 (139.70); 15-day average 138.86 (140.32).

GRAINS

Wheat and barley markets drifted in quiet trade on lack of new export interest and some profit-taking to close at the day's lows. New crops were again a little easier, reports Muirpace.

Mnth.	WHEAT Yesterdy's close	+ or —	BARLEY Yest'day's close	+ or —
Jan	121.50	—0.85	121.50	—0.80
Mar	123.70	—0.25	123.85	—0.55
May	126.55	—0.25	125.65	—0.30
July	129.50	—0.15	—	—
Sept	113.10	—0.10	111.10	—0.05
Nov	115.80	—0.15	113.90	—0.10

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent Jan-March 144 transhipment East Coast. English milling March 131.50 East Coast. Maize: French second half Dec 146.50, Jan 147.50 East Coast. Barley: English feed fob Jan-March 126.75 East Coast. Rest unquoted.

Business done—Wheat: Jan 121.70-1.30, Mar 123.85-3.70, May 126.80-6.50, July 129.65-9.50, Sept 113.20-3.00, Nov 115.80-5.75. Sales: 134 lots of 100 tonnes. Barley: Jan 122.10-1.90, Mar 124.20 only, May 125.95-5.65, Sept 111.00 only, Nov 113.90-3.80. Sales: 67 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Feed barley: S East 119.90, W Mids 119.20, N West 118.20. The UK monetary coefficient for the week beginning Monday December 19 (based on HGCA calculations using 5 days exchange rates) is expected to remain unchanged.

POTATOES

Heavy selling pushed prices through support levels, with stop-loss selling adding to the downward pressure. *Active trading at lower levels, with* short-covering support, moved values *off the lows at the close,* reports Coley and Harper.

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Feb	161.50	164.30	164.00-161.0
April	187.70	194.60	195.00-186.0
May	194.90	201.00	199.10-195.0
Nov	77.50	78.50	—
Feb	86.00	86.00	—

Sales: 1,495 (304) lots of 40 tonnes.

RUBBER

[illegible]

MEAT/FISH

[illegible]

SUGAR

LONDON DAILY PRICE—Raw sugar £137.00 (£138.00) a tonne for Dec-Jan shipment. White sugar £157.00 (£156.50).

No. 4 Contract	Yestday's close	Previous close	Business done
	£ per tonne		
Mar	157.90	160.50-60.60	160.40-57.00
May	162.00	165.50-65.70	165.00-62.00
No. 6 Contract	$ per tonne		
Mar	225.00-25.20	230.40-30.60	230.80-25.00
May	233.00-33.40	238.60-39.00	238.80-33.00
Aug	240.80-41.40	246.80-46.00	245.00-44.40
Oct	248.80-49.40	254.80-55.00	255.00-50.00
Dec	254.00-56.00	261.00-63.00	—
Mar	270.80-71.40	276.00-77.00	—
May	277.80-79.80	285.00-86.00	—

Sales: No 4 1,674 (836); No 6 388 (152 lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £246.50 (£246.00) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for December 12. Daily price 8.03 (7.83); 15-day average 8.29 (same).

INDICES

FINANCIAL TIMES

Dec. 12	Dec. 9	M'th ago	Y'ar ago
292.81	292.46	285.52	233.77

(Base: July 1 1952=100)

REUTERS

Dec. 13	Dec. 12	M'th ago	Y'ar ago
1959.1	1953.5	1896.3	1572.5

(Base: September 18 1931=100)

MOODY'S

Dec. 12	Dec. 9	M'th ago	Year ago
1051.4	1043.7	1009.8	996.0

(December 31 1931=100)

DOW JONES

Dow Jones	Dec. 12	Dec. 9	Month ago	Year ago
Spot	139.16	138.18	135.33	131.90
Fut's	144.80	144.80	143.21	138.64

(Base: December 31 1974=100)

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Dec 536.0, 537.0, 537.0-535.2; March 554, 558.0, untraded; May 565.0, 569.0, 569.0-567.0; July 577.0, 577.0, 580.0-577.0; Oct 569.0, 575.0, untraded; Dec 581.0, 583.0, untraded; March 592.0, 605.0, untraded; May 602.0, 611.0, untraded. Sales: 37.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. [illegible]

AMERICAN MARKETS

NEW YORK, December 13.

HEATING OIL prices traded lower in *anticipation of lower North Sea prices* which could threaten the fragile Opec price structure. Cocoa prices were virtually unchanged as the market is consolidating following a wave of recent massive buying. Coffee prices were high as the firm tone in London continued to attract speculative buying. Sugar prices collapsed after important support levels did not hold; technical selling was activated after stop-loss selling was touched off. Cotton prices opened weak but firmed-up late in the session on strong trade demand and on reported quality problems from this year's crop. Copper prices were severely depressed on the close as commission house selling and arbitrage completely overwhelmed some cautious buying at the lows by speculators. Aluminium prices were heavily depressed by arbitrage selling and continued long liquidation. Grains and soyabeans were moderately lower after recovering from heavy losses earlier in the day; selling originated primarily with commercial traders while the rally was initiated by locals. Precious metals were rather erratic with light speculative buying providing fractional gains in silver, while resistance to higher levels kept gold fractionally lower.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
March	75.55	76.50	75.40	76.75
May	76.05	76.60	76.00	77.15
July	77.20	—	—	78.10
Sept	78.35	—	—	79.10
Dec	80.15	—	—	81.10
Jan	80.75	81.00	81.00	81.60

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
Dec	2410	2420	2385	2397
March	2428	2443	2383	2393
May	2410	2430	2374	2383
July	2390	2422	2372	2387
Sept	2383	2415	2361	2380
Dec	2348	2375	2330	2350
March	2360	2360	2335	2335

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Dec	155.02	55.08	54.00	54.00
March	149.58	49.85	48.95	48.89
May	143.86	44.00	43.00	43.20
July	140.25	40.40	39.70	39.70
Sept	137.63	37.75	37.00	37.23
Dec	135.13	35.25	35.00	35.21
March	133.50	33.00	33.00	33.75

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Dec	64.05	64.80	64.30	64.95
Jan	64.35	64.70	64.70	65.30
Feb	65.00	—	—	65.95
March	65.65	66.65	65.60	66.60
May	66.95	67.95	66.85	67.95
July	68.25	69.10	68.20	69.30
Sept	69.60	70.30	69.85	70.65
Dec	71.70	72.50	71.60	72.75
Jan	72.40	—	—	73.45
March	73.75	74.50	74.00	74.80

COTTON 50,000 lb, cents/lb

[illegible]

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

[illegible]

GOLD 100 troy oz, $/troy oz

[illegible]

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

[illegible]

ORANGE JUICE 15,000 lb, cents/lb

[illegible]

PLATINUM 50 troy oz, $/troy oz

[illegible]

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Dec	939.3	939.0	928.0	933.8
Jan	943.8	942.0	934.0	938.7
Feb	951.1	—	—	946.3
March	959.0	960.0	945.0	954.0
May	975.9	977.0	962.0	970.8
July	993.0	995.0	980.0	987.8
Sept	1010.5	—	—	1005.1
Dec	1036.8	1035.0	1021.0	1031.1
Jan	1045.8	—	—	1040.1
March	1063.8	1054.0	1048.0	1058.1

SUGAR WORLD "11" 112,000 lbs cents/lbs

	Close	High	Low	Prev
Jan	7.60	8.14	7.60	8.45
March	8.59	9.13	8.58	9.13
May	8.95	9.43	8.95	9.46
July	9.26	9.72	9.26	9.76
Sept	9.50	9.95	9.50	9.98
Oct	9.70	10.15	9.65	10.15
Jan	10.41	10.80	10.47	10.60
March	10.73	11.13	11.00	11.10

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	65.70	66.00	65.60	66.05
Feb	64.85	64.92	64.52	65.00
April	65.92	66.00	65.70	66.10
June	66.20	66.25	66.02	66.32
Aug	64.85	64.87	64.57	64.92
Oct	62.72	62.90	62.65	62.90

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Dec	46.50	46.75	46.15	46.67
Feb	48.70	49.05	48.60	49.07
April	47.82	48.17	47.77	47.95
June	53.27	53.55	53.17	53.52
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MAIZE 5,000 bu min, cents/56-lb bushel

[illegible]

PORK BELLIES 38,000 lb, cents/lb

[illegible]

SOYABEANS 5,000 bu min, cents/60-lb bushel

[illegible]

SOYABEAN MEAL 100 tons, $/ton

[illegible]

SOYABEAN OIL 60,000 lb, cents/lb

[illegible]

WHEAT 5,000 bu min, cents/60-lb bushel

[illegible]

SPOT PRICES—Chicago loose lard 17.25 (17.00) cents per pound. New York tin 580.0-93.0 (584.0-94.0) cents per pound.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar at all time high

The dollar rose to its highest recorded level ever in currency markets yesterday. On Bank of England figures the dollar's trade weighted index closed at a record 130.8 up from 130.4 on Monday. Factors underpinning the dollar remained the same. Fears of higher U.S. interest rates and continued tension in the Middle East prompted continued dollar demand.

Yesterday's U.S. retail sales figures were better than expected and served to underline continued economic growth and the possibility of higher interest rates in order to control inflationary pressures normally associated with a vigorous recovery. The dollar rose to a record level against the French franc, Italian lira, Belgian franc and most Scandinavian currencies. It was also at a record high against sterling and touched its best level for 10 years against the D-mark. The Japanese yen showed a strong resistance to the dollar's improvement and the latter actually closed weaker at Y236.25 down from Y236.50.

The dollar rose to DM 2.7680 from DM 2.7530 and SwFr 2.2200 from SwFr 2.2125. Against the French franc it finished at FFr 8.45 from FFr 8.3925 and L1,675 compared with L1,667.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4195. November average 1.4773. Trade weighted index 82.0 against 82.1 at noon and 82.3 in the morning and compared with 82.5 on Monday and 85.4 six months ago.

Sterling fell to an all-time low against the dollar. After a quiet morning, activity increased sharply in the afternoon as the market reacted to speculation that BNOC would soon reduce the price of North Sea Oil. This pushed the pound to a low of $1.4175 against the dollar and prompted some intervention by the Bank of England. Sterling opened at $1.4285 and closed at $1.4190-1.4200, a fall of 1.15c. In early New York trading it was quoted at $1.4165.

Against the D-mark it fell to DM 3.9325 from DM 3.9425 and SwFr 3.1525 compared with SwFr 3.1675. It was also lower against the French franc at FFr 11.9925 from FFr 12.0050 and finished at Y335.5 from Y338.75.

D-MARK — Trading range against hte dollar in 1983 is 124.4 to 2.3320. November average 2.6847. Trade-weighted index against 128.0 six months ago.

The D-mark continued to lose ground to the dollar at yesterday's Frankfurt fixing. The Bundesbank sold $55.65m when the dollar was fixed at a near 10-year high of DM 2.7534, compared with DM 2.7512 on Monday. But hte fixing was below the level DM 2.7615 in early trading and values touched during the afternoon. Expectations of a sharp rise in U.S. M1 money supply this week led to comments that the dollar may not have reached its best levels, while intervention by the German central bank was also seen to be lacking in the open market, as the authorities concentrated most of their efforts o nthe fixing. Sterling was weak, falling to DM 3.9280 from DM 3.9480 at the fixing, on speculation about lower oil prices.

JAPANESE YEN—Trading range against the dollar in 1983 is 246.90 to 226.80. November average 235.06. Trade-weighted index 155.1 against 145.5 six months ago.

The yen eased slightly against the dollar in active Tokyo trading, as dollar sales by Japanese exporters were reported to be countered by interbank buying on concern about tension in the Middle East and firm New York interest rates. Profit taking by exporters, taking advantage of the dollar's recent rise, was also offset by buying from Middle East banks and possibly the Soviet Union. The dollar rose to Y236.20 from Y235.90. but was down from the day's high at the opening of Y236.55, and only slightly above the low of Y236. Sentiment may have been influenced by a forecast from Chemical Bank that the dollar could fall to Y234.50 this week, and will decline to around Y232 in the first quarter of next year. The yen was firm against European currencies in general, with the D-mark retreating to Y85.60 from Y85.92.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU December 13	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.8836	+2.19	+1.68	±1.5447
Danish Krone ...	8.14104	8.18223	+0.51	—	±1.6425
German D-Mark	2.24184	2.25708	+0.68	+0.17	±1.0642
French Franc ...	6.87456	6.88726	+0.18	−0.33	±1.4052
Dutch Guilder ...	2.52595	2.53338	+0.29	−0.22	±1.4964
Irish Punt	0.72569	0.725864	+0.02	−0.49	±1.6689
Italian Lira	1403.49	1368.15	−2.52	−2.52	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York—Latest

	Dec. 13	Previous
Spot	$1.4150-4160	1.4260-4270
1 month	0.12-0.15 dis	0.13-0.14 dis
3 months	0.30-0.34 dis	0.30-0.32 dis
12 months	1.25-1.40 dis	1.25-1.31 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

Dec 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4175-1.4300	1.4190-1.4200	0.11-0.16c dis	−1.14	0.30-0.35dis	−0.91
Canada	1.7710-1.7880	1.7740-1.7750	0.06-0.16c dis	−0.74	0.25-0.35dis	−0.68
Nethlnd.	4.39-4.43	4.40½-4.41½	1⅛-⅞c pm	3.06	3½-3 pm	2.95
Belgium	79.50-80.10	79.70-79.80	3-13c dis	−1.20	27-37 dis	−1.60
Denmark	14.18-14.28	14.21-14.22	2.75-3.80ore dis	−2.76	5.25-6.40dis	−1.64
Ireland	1.2600-1.2690	1.2625-1.2635	0.32-0.40p dis	−3.42	0.90-1.00dis	−3.01
W. Ger.	3.91½-3.95	3.92¾-3.93¾	1½-1⅛pf pm	2.67	3⅛-2⅞ pm	2.92
Portugal	186.25-188.25	187.15-187.65	125-335c dis	−14.73	465-980dis	−15.42
Spain	225.50-227.25	226.05-226.25	240-270c dis	−13.53	650-735dis	−12.25
Italy	2,371-2,389	2,376-2,378	14-16 lire dis	−7.57	43-46 dis	−7.49
Norway	11.02-11.10½	11.05½-11.06½	3.80-4.45ore dis	−4.47	10.00-10.80d	−3.76
France	11.94-12.02	11.98¾-11.99¾	3-4c dis	−3.50	11½-13 dis	−4.08
Sweden	11.48-11.55½	11.50-11.51	2.55-3.10ore dis	−2.95	6.65-7.20dis	−2.39
Japan	334-338	335-336	0.70-0.64y pm	2.40	2.26-2.14 pm	2.62
Austria	27.55-27.80	27.63-27.68	8-6½gro pm	3.14	24½-18¾ pm	3.13
Switz.	3.13½-3.17	3.14¾-3.15¾	1½-1c pm	4.76	4-3½ pm	4.76

Belgian rate is for convertible francs. Financial franc 80.80-80.90. Six-month forward dollar 0.62-0.67c dis, 12-month 1.28-1.38c dis.

THE DOLLAR SPOT AND FORWARD

Dec 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4175-1.4300	1.4190-1.4200	0.11-0.16c dis	−1.14	0.30-0.35dis	−0.91
Ireland†	1.1225-1.1310	1.1225-1.1235	0.22-0.19c pm	2.18	0.62-0.54 pm	2.06
Canada	1.2480-1.2505	1.2500-1.2505	0.06-0.04c pm	0.48	0.13-0.11 pm	0.38
Nethlnd.	3.0880-3.1070	3.1045-3.1065	1.10-1.00c pm	4.06	3.01-2.91 pm	3.82
Belgium	55.92-56.20	56.18-56.20	½c pm-1½ dis	−0.11	8-10 dis	−0.64
Denmark	9.9820-10.0175	10.0100-10.015	1.10-1.60ore dis	−1.62	1.60-2.10dis	−0.74
W. Ger.	2.7510-2.7710	2.7675-2.7685	0.93-0.88pf pm	3.93	2.68-2.63 pm	3.84
Portugal	131.50-132.20	131.90-132.20	70-180c dis	−11.36	300-625dis	−14.01
Spain	158.75-159.45	159.35-159.45	155-165c dis	−12.06	420-470dis	−11.18
Italy	1,668-1,675½	1,674½-1,675½	9-9½ lire dis	−6.64	27¾-28½dis	−6.73
Norway	7.7650-7.7845	7.7725-7.7775	2.00-2.30ore dis	−3.32	5.40-5.70dis	−2.85
France	8.3975-8.4600	8.4475-8.4525	1.50-1.65c dis	−2.24	5.50-5.90dis	−2.70
Sweden	8.0765-8.1080	8.1050-8.1080	1.10-1.30ore dis	−1.78	2.90-3.10dis	−1.48
Japan	235.20-236.35	236.20-236.30	0.72-0.68y pm	3.56	2.12-2.07 pm	3.55
Austria	19.40-19.51	19.50-19.51	7.10-6.50gro pm	4.19	19.50-17.50pm	3.80
Switz.	2.2040-2.2210	2.2195-2.2205	1.09-1.05c pm	5.80	3.21-3.17 pm	5.76

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 56.93-56.98.

OTHER CURRENCIES

Dec. 13	£	$		£ Note Rates
Argentina Peso...	29.38-29.46	20.717-20.737	Austria	27.65-27.95
Australia Dollar..	1.5735-1.5770	1.1090-1.1110	Belgium	80.80-81.60
Brazil Cruzeiro...	1,326.8-1,334.8	935-940	Denmark	14.22-14.36
Finland Markka..	8.3085-8.3315	5.8750-5.8800	France	11.93-12.05
Greek Drachma..	140.75-141.35	98.80-99.30	Germany	3.91-3.96
Hong Kong Dollar	11.08⅛-11.10⅛	7.8190-7.8210	Italy	2365-2395
Iran Rial	127.10*	87.50*	Japan	336-341
KuwaitDinar(KD)	0.41535-0.41565	0.29285-0.29315	Netherlands	4.39-4.43
Luxembourg Fr..	79.70-79.80	56.18-56.20	Norway	11.04-11.14
Malaysia Dollar..	3.3250-3.3310	2.3420-2.3435	Portugal	185-198
New Zealand Dlr.	2.1650-2.1680	1.5390-1.5415	Spain	223¼-232
Saudi Arab. Riyal	4.9320-4.9370	3.4795-3.4805	Sweden	11.49-11.59
Singapore Dollar	3.0290-3.0350	2.1345-2.1360	Switzerland	3.13⅛-3.16⅛
Sth.African Rand	1.7340-1.7360	1.2215-1.2230	United States	1.41⅛-1.43⅛
U.A.E. Dirham	5.2050-5.2105	3.6720-3.6730	Yugoslavia	200-213

* Selling rates.

CURRENCY MOVEMENTS

Dec. 13	Bank of England Index	Morgan Guaranty Changes%
Sterling	82.0	−8.8
U.S. dollar	130.8	+18.7
Canadian dollar	92.1	+0.2
Austrian schilling	114.3	+3.3
Belgian franc	89.6	−11.5
Danish kroner	78.2	−5.8
Deutsche mark	124.4	+6.6
Swiss franc	150.2	+13.3
Guilder	114.3	+4.0
French franc	66.0	−16.6
Lira	49.0	−11.6
Yen	156.1	+11.6

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

Dec. 13	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.729639	0.575342
U.S. $	8½	1.04085	0.819865
Canadian$	9.92	*	1.02352
Austria Sch	3¾	20.2036	15.8971
Belgian F	10	58.2448	45.8836
Danish Kr.	7	10.4010	8.18225
D mark	4	2.86582	2.25708
Guilder	5	3.21669	2.53338
French F.	9½	8.74609	6.88725
Lira	17	1737.67	1368.15
Yen	5	245.896	192.955
Norwgn Kr.	8	8.07840	6.36091
Spanish Pta	—	165.235	130.194
Swedish Kr	8½	8.41459	6.62285
Swiss Fr	4	2.29711	1.80985
Greek Dr'ch	20½	102.720	80.8631

*CS/SDR rate for Dec 12: 1.29985

EXCHANGE CROSS RATES

Dec. 13	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.420	3.933	335.5	11.993	3.163	4.410	2377.	1.775	79.75
U.S. Dollar	0.704	1.	2.768	236.3	8.45	2.220	3.106	1675.	1.250	56.19
Deutschemark	0.254	0.361	1.	85.31	3.050	0.802	1.121	604.5	0.451	20.28
Japanese Yen 1,000	2.981	4.231	11.72	1000.	35.75	9.396	13.14	7085.	5.289	237.7
French Franc 10	0.834	1.184	3.279	279.8	10.	2.629	3.677	1982.	1.480	66.50
Swiss Franc	0.317	0.450	1.247	106.4	3.804	1.	1.399	754.0	0.563	25.30
Dutch Guilder	0.227	0.322	0.892	76.08	2.719	0.715	1.	539.0	0.402	18.08
Italian Lira 1,000	0.421	0.597	1.654	141.1	5.045	1.326	1.855	1000	0.747	33.55
Canadian Dollar	0.564	0.800	2.216	189.1	6.758	1.777	2.485	1340.	1.	44.94
Belgian Franc 100	1.254	1.780	4.931	420.7	15.04	3.963	5.530	2981.	2.225	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Dec. 12	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	9-9⅛	9⅜-9⅝	9-9½	5⅝-5⅞	1¾-1⅞	5⅛-5⅜	11¾-12	15¼-16¼	9-9½	9½-10	6⅛-6⅜	11¾-12¼
7 day's notice	9-9⅛	9⅛-9¾	9¼-9¾	5⅝-6⅛	2-2⅛	5⅛-5⅜	11⅞-12	15¾-16¾	9½-10	10-10½	6⅝-6¾	11⅝-11⅞
Month	9⅛-9¼	10⅛-10⅜	9⅝-9⅞	6⅛-6⅜	4⅛-4⅜	6⅛-6⅜	12¼-12½	16⅜-16⅞	10⅛-10⅝	10⅛-10⅝	6½-7⅛	11⅝-12⅛
Three months	9⅛-9⅜	10⅛-10⅜	9⅜-9⅝	6⅛-6⅜	4⅛-4⅜	6⅛-6⅜	13¼-13½	17⅛-17⅝	10⅞-11⅛	10⅞-11⅛	6⅛-6⅜	11½-12
Six months	9¼-9⅜	10⅜-10⅝	10-10¼	6⅛-6⅜	4⅛-4⅜	6⅛-6½	14¼-14½	17¾-18¼	11-11½	11⅛-11⅜	6⅛-6⅜	11¼-11¾
One Year	10-10⅛	10¾-11	10¼-10½	6¾-6⅞	4⅝-4¾	6⅝-6⅞	14⅜-14⅝	18¼-18⅞	11⅝-11⅞	11¼-11½	6⅛-6⅜	11¾-12¼

Asian $ (closing rates in Singapore): Short-term 9⁷⁄₁₆-9⁹⁄₁₆ per cent; seven days 9½-9⅝ per cent; one month 10⅛-10¼ per cent; three months 10⅛-10¼ per cent; six months 10⅜-10½ per cent; one year 10²¹⁄₃₂-10²⁵⁄₃₂ per cent. Long-term Eurodollars two years 11¾-11⅞ per cent; three years 11¾-12 per cent; four years 12-12¼ per cent; five years 12¼-12½ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

FINANCIAL FUTURES

Gilts weak

Gilts weakened on the London International Financial Futures Exchange, despite showing a firmer trend in early trading. Cash prices opened slightly better, and futures gave the impression of wanting to move higher, but soon succumbed to the decline of sterling on the foreign exchanges and aggressive selling of Treasury bonds in the U.S. Gilts for March delivery opened at 107-02, and touched a peak of 107-21, but closed at 106-25, near the day's low of 106-23, and compared with the previous close of 107-07.

Traders were concerned at the lack of intervention by the Bank of England as sterling fell below $1.43 for the first time ever, suspecting that the authorities are more interested in the pound's trade-weighted value, and may only give support on any scale if sterling approaches the 80 level.

The three-month sterling interest rate contract was also depressed by the weakness of the pound. March delivery opened at 90.29, the highest level of the day, and fell to a low of 90.21, finishing only slightly higher at 90.22, compared with 90.33 on Monday.

Eurodollars began lower, reflecting the late weakness of U.S. credit markets on Monday, and continued to lose ground on fears of a sharp rise in U.S. M1 money supply this Friday, and speculation that the Federal Reserve may soon be forced to tighten its monetary policy on inflationary pressure caused by fast economic growth. The strength of the U.S. economy was underlined once again by a rise of 1.9 per cent in retail sales, compared with market estimates of an increase in the region of 0.75 per cent. March Eurodollars opened at 89.52, the best level touched during the day, and closed at the low of 89.41, compared with 89.55 previously.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Dec	89.41	89.52	89.41	90.00
March	89.10	89.18	89.10	89.56
June	88.88	88.95	88.88	89.23
Sept	88.65	88.69	88.65	89.00
Dec	88.38	88.43	88.38	88.72

Volume 3,469 (2,447)
Previous day's open int 8,684 (8,659)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
Dec	90.76	—	—	90.77
March	90.22	90.29	90.21	90.33
June	89.99	90.05	89.98	90.07
Sept	89.81	89.85	89.76	89.89
Dec	89.62	—	—	89.72

Volume 1,564 (1,257)
Previous day's open int 5,143 (4,897)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Dec	108-00	108-20	108-00	108-10
March	106-25	107-21	106-23	107-07
June	106-11	—	—	106-26
Sept	105-30	—	—	106-13
Dec	105-17	—	—	106-00

Volume 3,469 (4,518)
Previous day's open int 3,270 (3,285)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of March contract) 42-58 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	1.4220	1.4320	1.4210	1.4354
March	1.4245	—	—	1.4355
June	1.4295	1.4325	1.4295	1.4386

Volume 342 (409)
Previous day's open int 2,463 (2,387)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3649	0.3665	0.3649	0.3634
March	0.3686	—	—	0.3670
June	—	—	—	0.3707

Volume 47 (18)
Previous day's open int 334 (332)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.4578	0.4596	0.4578	0.4523
March	0.4649	—	—	0.4593
June	—	—	—	0.4664

Volume 2 (11)
Previous day's open int 91 (101)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4273	0.4288	0.4268	0.4237
March	0.4313	—	—	0.4267
June	—	—	—	0.4307

Volume 12 (39)
Previous day's open int 222 (224)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	69-23	69-26	69-19	70-09
March	69-00	69-04	68-13	69-18
June	68-13	68-17	68-08	68-31
Sept	67-29	68-00	68-23	68-15
Dec	67-14	67-18	67-12	68-01
March	67-00	67-04	67-00	67-20
June	66-25	66-25	66-24	67-09
Sept	66-15	66-15	66-13	67-00
Dec	—	—	—	—
March	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.99	91.00	90.97	91.06
March	90.43	90.45	90.38	90.52
June	90.11	90.13	90.08	90.19
Sept	89.88	89.91	89.86	89.95
Dec	89.69	89.71	89.68	89.76
March	89.50	89.50	89.47	89.57
June	89.31	89.32	89.26	89.39
Sept	89.14	89.14	89.10	89.21

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.21	90.30	90.19	90.34
March	89.54	89.62	89.52	89.69
June	89.19	89.23	89.17	89.33
Sept	88.92	88.99	88.91	89.05
Dec	—	—	—	—
March	—	—	—	—
Sept	78.40	78.40	78.40	78.75

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	89.61	89.71	89.60	89.80
March	89.13	89.20	89.11	89.27
June	88.80	88.86	88.79	88.93
Sept	88.56	88.62	88.56	88.69
Dec	88.34	88.39	88.33	88.47
March	88.13	88.19	88.13	88.23

STERLING (IMM) $s per £

	Latest	High	Low	Prev
Dec	—	1.4260	1.4150	1.4385
March	1.4180	1.4295	1.4175	1.4285
June	1.4215	1.4335	1.4215	1.4320
Sept	1.4240	1.4320	1.4240	1.4355
Dec	1.4280	1.4325	1.4275	1.4370
March	1.4300	1.4300	4300	1.4415

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	69-20	69-21	69-12	69-27
March	68-11	68-13	68-03	68-21
June	67-10	67-13	67-05	67-21
Sept	66-16	66-18	66-11	66-26
Dec	65-26	65-27	65-21	66-03
March	—	—	—	—
June	64-24	64-24	64-22	65-00
Sept	—	64-11	64-10	64-19
Dec	—	—	—	—

MONEY MARKETS

UK rates firmer on weak pound

UK interest rates were slightly firmer yesterday as the market reacted to sterling's fall to record lows against the dollar. Three-month eligible bank bills were bid at 8 13/16 per cent up from 8 11/16 per cent while three-month interbank money remained at 9 1/16 per cent. Overnight interbank money opened at 8⅞-9 per cent but eased quickly to 8⅝-8⅞ per cent. Much of the morning's business was conducted around the 8¾ per cent level.

Rates started to ease during the afternoon however, with quotations of around 8 per cent at 2 pm. Closing balances were taken at 3-5 per cent.

The Bank of England forecast a shortage of around £100m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £191m with Exchequer transactions adding £75m. The Bank gave assistance in the morning of £87m, comprising purchases of £25m of eligible bank bills in band 2 (15-33 days) at 9 per cent and £15m in band 3 (34-63 days) at 8 15/16 per cent. In band 4 (64-91 days) it bought £17m of Treasury bills and £30m of local authority bills all at 8⅞ per cent.

Further help was given in the afternoon of £31m, comprising purchases of £4m of Treasury bills and £27m of local authority bills all in band 4 at 8⅞ per cent.

In Amsterdam the Dutch central bank increased money market liquidity by Fl 13.5bn through a special liquidity advance, carrying an interest rate of 5⅞ per cent. Applications on the first Fl 500m were allotted in full and the remaining portion at 60 per cent. The facility unwinds on December 22. In the money market call money was quoted unchanged from Monday at 5⅝-5⅞ per cent as was three-month money at 6⅛-6⅜ per cent. Six-month money was slightly higher at 6⅛-6⅜ per cent compared with 6⅛-6⅜ per cent.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

MONEY RATES

Dec. 13	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.60	11¾	1 2	5¾-5⅞	6.40625	17½-17⅞	6.50	12-12¼
One month	5.40-5.55	12 1/16-12 3/16	4⅝-4¾	6⅛-6¼	6.53125	—	10⅜-10 9/16	12-12¼
Two months	5.35-5.50	12 1/16-12 3/16	—	—	—	17½-17⅞	—	12-12¼
Three months	5.35-5.60	12 1/16-12 3/16	4 5/16-4 7/16	6¼-6⅜	6.28125	17⅝-18	10⅞-11 1/16	12-12¼
Six months	5.50-5.45	12⅛-12¼	—	6⅛-6⅝	—	—	—	12⅜-12⅝
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	12	—	5¾	—	—	—	—

LONDON MONEY RATES
Discount Houses Deposit and Bill Rates

Dec. 13 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	3 9	8¾-9	8¾-9¼	6-8¾	—	—	—	—	—
2 days notice	—	—	8⅞-9	—	—	—	—	—	—	—
7 days pr.	—	—	—	—	—	—	—	—	—	—
7 day notice	—	8⅞-9	8⅞-9	9-9¼	8⅞-9	—	—	—	—	—
One month	9¼-9⅛	9⅛-9¼	9⅛	9⅜-9½	9	9 1/32	9	9 1/32	9	9 11/32
Two months	9⅛-9¼	9¼-9⅜	9 3/16	9 3/16-9⅜	9	8 31/32	8 15/16	9	8 31/32	9 11/32
Three months	9⅜-9 5/16	9⅜-9½	9⅜	9¾	9	8⅞-8 27/32	8⅞	8 15/16	8 27/32	9 5/16
Six months	9 5/16-9 3/16	9⅜-9¾	9 7/16	—	—	—	—	9 3/32	9⅛	9 9/16
Nine months	9¾-9 11/16	9 11/16-9⅞	9¾	—	—	—	—	—	—	—
One year	9¾-9 11/16	9 15/16-10 1/16	9⅞	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Certs of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9⅝-9⅜	—	9¼	9.95-10.05	9 1/16-9 3/16	8 13/16-9 3/16
Two months	9⅝-9⅜	—	9 5/16	10.0-10.1	9 1/16-9 5/16	9-9⅛
Three months	9⅝-9⅜	—	9½	10.0-10.1	9⅛-9⅜	9⅛-9½
Six months	9⅝-9⅜	—	9¾	10.2-10.3	9 5/16-9 9/16	9 5/16-9 13/16
Nine months	10⅛-9¾	—	10	10.45-10.55	—	—
One year	10-9¾	—	10 1/16	10.65-10.85	9⅝-10	9¾-10⅛
Two years	—	10½	—	—	—	—
Three years	—	10⅝	—	—	—	—
Four years	—	11	—	—	—	—
Five years	—	11	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period November 2 to December 6 1983 (inclusive) 9.350 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association) 9½ per cent from December 1 1983. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rate of discount 8.8843 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9¼ per cent; one-three month 9½ per cent; three-six months 9¾ per cent; six-12 month 10¼ per cent. Under £100,000 9¼ per cent from December 14. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING
(11.00 am December 13)

3 months U.S. dollars

bid 10 1/4	offer 10 3/8

6 months U.S. dollars

bid 10 3/8	offer 10 1/2

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11
Broker loan rate	10-10¼
Fed Funds	9½
Fed funds at intervention	—

Treasury Bills

One month	8.50
Two month	8.90
Three month	9.03
Six month	9.23
One year	9.27

Treasury Bonds

Two year	99 11/32
Three year	99⅝
Four year	98 14/32
Five year	98 20/32
Seven year	98 14/32
10 year	98 20/32

COMPANY NOTICES

DISCOUNT INVESTMENT CORPORATION LTD.

Notice to the shareholders of the Company of an Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of the shareholders of Discount Investment Corporation Ltd. will be held on the 12th January, 1984, at 10.00 a.m., at the registered office of the Company at 16-18, Beth Hashoeva Lane, Tel Aviv, Israel, for the following purposes:

1 To approve the distribution of bonus shares for the year 1983 to the shareholders of the Company, and to adopt for that purpose the following resolutions:

(a) To capitalize out of the sums standing to the credit of the reserve fund for distribution of bonus shares an amount equal to 100 per cent of the nominal value of all the shares of the Company being held by the shareholders of the Company on the 15th January, 1984, and to apply the said capitalized amount in paying-up in full, at par, unissued ordinary shares of IS 0.50 n.v. of the Company which will be distributed as bonus shares among all the shareholders of the Company, being registered on the Company's register of members on the 15th January, 1984, at the rate of 100 per cent of the nominal value of the shares of the Company held by them on that date (i.e. one bonus share for each existing share held by the shareholders as aforesaid), the "ex" day to be on the 16th January, 1984, and the allotment day to be on the 19th January, 1984.

(b) The bonus shares to be distributed as aforesaid will rank pari passu with the existing ordinary shares of IS 0.50 n.v. of the Company, and will entitle the holders thereof to participate in full in the distribution of any dividend in cash and/or in bonus shares, if declared, in respect of the Company's fiscal year commencing on 1st January, 1984.

(c) To empower the Board of Directors of the Company to issue and allot the aforesaid bonus shares accordingly.

2 To increase the registered share capital and to adopt for that purpose the following resolution as a special resolution:

"To increase the registered share capital of the Company from IS 500,000,000 to IS 1,000,000,000 by the creation of 1,000,000,000 additional ordinary shares of IS 0.50 n.v. each, carrying the same rights in all respects as the rights attached to the existing ordinary shares of the Company."

3 To amend the Articles of Association of the Company following, inter alia, the de-listing of the ordinary shares of the Company that were traded on The London Stock Exchange and to adopt in connection therewith the following resolutions as special resolutions:

To amend the Articles of Association as follows:

(a) In article 1: The words "United Kingdom—Great Britain and Northern Ireland" will be deleted.

(b) In article 14: The words "a sum of fifty agorot" will be replaced by the words "a sum as shall be determined from time to time by the Directors."

(c) In article 28: The words "at the rate of 5 per cent per annum" will be replaced by the words "at the rate as shall be determined from time to time by the Directors."

(d) Article 35 shall be replaced by the following article:
"33. Any transfer of shares will be made in writing in any usual or common form in Israel, or in any other form acceptable to the Directors, and may be under hand signature only."

(e) In article 62: The words "if convened upon such requisition of members as aforesaid shall be dissolved, but in any other case it" shall be replaced by the words "whether convened upon the requisition of members or otherwise."

(f) In article 74: The words "or at the office of the Company's agent in London" will be deleted, and the words "the meeting or" will be added after the words "time for holding."

(g) In article 76: The words "or in the United Kingdom" will be deleted.

(h) In article 78A: The words "(or at the office of the Company's transfer agent in London)" will be deleted.

(i) In article 118(2): The words "and at least one leading London daily newspaper" will be deleted.

(j) In article 119: The words "less than one Israeli pound" will be replaced by the words "less than one Israeli Shekel."

(k) In article 123A: The last sentence beginning with the words "at the same time . . ." will be deleted.

(l) In article 127: The words "or in the United Kingdom" wherever they appear will be deleted.

(m) In article 129: The words "and at least one leading London daily newspaper" will be deleted.

(n) In article 131: The last sentence beginning with the words "any notice to be sent by post to a member whose registered address . . ." will be deleted.

David S. Cohen
Secretary of the Company

NOTES:

1 The bearer of a share warrant wishing to attend and vote at the above meeting, must deposit the warrant at the office of the Company or at Ravensbourne Registration Services Ltd., Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 48 hours before the day of the meeting.

2 The bearer of share warrants depositing the same as aforesaid, as well as the owner of registered shares is entitled to appoint a proxy to attend and vote for him at the above meeting. A person appointed as a proxy need not be a member of the Company.

INT. CAPITAL MARKETS

EUROBONDS

£50m FRN for Danish bank

BY MARY ANN SIEGHART IN LONDON

THE MORTGAGE Bank of Denmark finally launched its long-rumoured £50m sterling floating rate note yesterday. Hambros Bank is lead manager with Long Term Credit Bank, Manufacturers Hanover and Mitsui Trust.

The 10-year note has a put option for investors after seven years and pays ⅛ point over the three-month London interbank offered rate at par. The total front-end fees are 0.75 per cent, giving an all-in cost to the borrower up to the first put option of 0.29 per cent over Libor (London interbank offered rate).

Hambros won the mandate after heavy competitive bidding from other UK merchant banks and the terms were considered a little tight by the market. The bond closed the day at a 1 point discount, outside the total fees.

BHF Bank bond average		
Dec 13		Previous
98.037		98.114
High	1983	Low
102.017		97.899

Brown Boveri's $57m, 12-year convertible has been given a 4¼ per cent coupon by lead-manager SBC International. The bonds can be converted into equity at a 2.7 per cent discount, compared with a 2–5 per cent indicated premium at the time of issue. This reflects the relatively poor market reception to the bond.

The World Bank will be raising Y20bn in the Samurai market today. The market expects a 12-year bond paying a 7.6 per cent coupon at a price of 99.35. Yamaichi Securities is the lead manager.

Yamaichi is also leading a Y5bn private placement for Eurovias, the Spanish motorway company. It has a 10-year life with an 8.4 per cent coupon at a price of 99.85.

Secondary bonds denominated in dollars and Swiss francs closed little changed in a day of low trading. In Germany, prices fell by up to a ¼ point.

INTERNATIONAL APPOINTMENTS

New vice-presidents at Comex

MR DAVID A. Halperin, Mr Arthur D. Markowitz and Dr Terrence F. Martell have been appointed senior vice-presidents of COMMODITY EXCHANGE. Mr Halperin joined Comex as vice-president, finance, in July 1981. A senior vice-president, he will oversee all exchange financial operations, including budgeting, and will have responsibility for the member services department, the office of the secretary, and the exchange's metal warehousing activities. He will also be responsible for the proposed development of new Comex trading facilities.

Mr Markowitz has been with Comex since 1979. As senior vice-president, he will be responsible for exchange floor operations, trade audits, automatic data processing, computer systems and automation planning and development.

● MCA has named Mr Martin Antonowsky executive vice-president for the theatrical motion picture group of its Universal unit. Mr Antonowsky had been president of marketing and research for Coca-Cola Co's Columbia Pictures Industries since April 1981.

● Mr James B. Watt has been elected chairman and chief executive officer of MIDAMERICA BANCSYSTEM. He replaces Mr Charles L. Daily, who will assume the new position of chairman of the executive committee of the holding company, headquartered in Fairview Heights, Illinois. Mr Watt joins the company from management of his own bank consulting firm.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for December 13.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amax O/S Fin 10¼ 90	100	93½	94	0	−0⅛	11.67
Australia Comm 11⅛ 90	100	100⅛	100⅝	−0⅛	−0⅜	11.15
Australia Comm 11½ 95	300	95½	96	−0⅛	−0⅜	12.18
Australia Comm 11⅝ 98	100	96⅝	96⅞	−0⅛	−0½	12.11
Bank of Tokyo 11 90	100	93⅞	94⅜	0	−0⅛	12.36
British Col Hyd 10¼ 88	200	95⅞	96⅜	−0⅛	−0¼	11.41
Britoil Fin 11⅞ 90	125	99¼	99¾	0	−0¼	11.97
Canada 10⅞ 88	500	98⅝	98⅞	−0⅛	0	11.24
C.C.C.E. 11¾ 87	100	92½	93	0	0	12.80
C.C.C.E. 12⅝ 95	75	98⅜	98⅞	−0¼	−0⅜	12.83
C.I.D.O. 11 90	75	92⅛	92⅝	0	−0½	12.75
Citicorp O/S 10⅝ 90	100	90½	91	0	−0¼	12.52
Citicorp O/S 11¾ 90	100	96⅝	97⅛	0	0	12.43
Cred Suisse BAH 10½ 90	150	98	98½	−0⅛	−0½	10.88
Den Norsk Cred 11¼ 93	50	92¾	93¼	+0½	−0⅛	12.53
E.C.S.C. 11⅛ 90	75	98¾	99¼	−0⅛	−0⅜	12.07
E.D.F. 11⅛ 93	100	91⅜	91⅞	−0⅛	−0¼	12.67
E.E.C. 11 87	350	97⅞	98⅜	−0⅛	−0½	11.62
E.I.B. 10¾ 93	200	90⅛	90⅝	−0⅛	−1¼	12.52
E.I.B. 11 91	125	93⅞	94⅜	−0⅛	−0⅜	12.24
Exportfinans 11½ 90	100	95⅜	95⅞	−0⅛	−0⅛	12.35
Electrolux 10½ 90	50	92⅜	92⅞	−0¼	+0⅜	12.18
Fuji Int Fin 10⅝ 90	100	92⅛	92⅝	+0⅛	−0⅛	12.64
GMAC O/S Fin 11⅞ 90	100	99⅛	99⅝	0	0	11.48
Honeywell Int 10¾ 90	100	95⅜	95⅞	−0⅛	−0¼	11.74
IC Indust Fin 11⅞ 90	75	95⅜	95⅞	−0⅛	−0⅛	12.54
Indust Bk Japan 10⅞ 88	100	96¾	97¼	−0⅛	−0⅛	11.75
Indust Bk Japan 11⅞ 91	100	97⅛	97⅝	0	−0⅛	12.38
ITT Finance 11½ 89 WW	125	97⅞	98⅜	0	+0⅛	11.95
Japan Air Lines 10⅞ 90	42	91	91½	0	−0¼	12.17
Japan Air Lines 11 93	75	93⅛	94⅛	−0⅛	−0⅜	12.04
J.C. Penney 11⅞ 90	100	99⅞	100⅜	0	+0⅛	11.83
J. P. Morgan 11⅞ 90 WW	150	96⅝	97⅛	−0⅛	−0⅛	12.85
Levi Strauss Int 11 90	75	95⅝	96⅛	0	+0⅛	11.91
L.T.C.B. 10¾ 90	100	91⅞	92⅜	−0⅛	−0⅜	12.56
L.T.C.B. 12½ 90	85	100⅛	100⅝	−0⅛	−0⅛	12.38
Merrill Lynch 10⅞ 90	200	93½	94	−0⅛	−0⅛	12.05
Mitsubishi Corp 10½ 90	100	92½	93	−0⅛	−0⅜	12.16
Mitsubishi Fin 11⅞ 90	100	94⅛	94⅞	−0⅛	−0⅜	12.82
Nippon Credit 11 90	100	92⅞	93⅜	0	−0⅜	12.58
Nippon Credit 11⅞ 90	100	96¾	97¼	+0⅛	0	12.54
Ontario Hydro 10¼ 90	250	93	93½	−0⅛	−0⅛	11.77
Ontario Hydro 11¾ 90	200	100¼	100¾	−0⅛	0	11.62
Pacific Gas & Elec 12 91	75	101⅝	102⅛	0	−0⅛	11.61
P.K. Banken 12 90 WW	75	96¼	96¾	−0⅛	−0⅜	12.78
Quebec Hydro 11½ 92	100†	98⅜	98⅞	+1	+1⅛	11.75
Saskatchewan Pr 10¾ 90	125	95	95½	−0⅛	−0⅜	11.84
Sears O/S Fin 11½ 88	125	100¾	101¼	0	−0⅛	11.22
Sears O/S Fin 11⅝ 93	150	97⅜	97⅞	−0⅛	−0¼	12.03
Sth Cal Edison 10½ 90	75	94¾	95¼	0	−0⅛	11.62
Sumitomo Fin 10⅞ 90	100	92	92½	−0⅛	−0⅜	12.65
Texaco Capital 10½ 93	200	94	94½	0	0	11.49
U.B.S. 10 88	100	97⅞	98⅜	0	−0⅛	10.52
World Bank 11¼ 88	100	98½	99	0	−0⅛	11.57
World Bank 11¼ 90	200	95½	96	−0¼	−0⅜	12.18
World Bank 11½ 90	150	96⅝	97⅛	−0⅛	−0⅜	12.18
World Bank 12 93	200	98⅝	99⅛	−0⅛	−0⅜	12.18

Av. price changes: on day −⅛, on week −¼

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 7⅞ 93	100	98⅝	99⅛	−0⅛	−1	7.64
Arab Banking Corp 8 88	100	95½	96	−0⅛	−0½	9.12
Asian Dev BK 8½ 93	200	99½	100	+0⅛	+0⅛	8.53
Austria, Rep 7⅝ 89	100	99⅞	100⅜	+0¼	−0⅛	7.58
Austria, Rep 8 93	100	100⅞	101⅜	−0⅛	−0⅜	7.82
Avon Int Fin 7½ 93	100	100½	101	−0¼	−0½	7.38
Barclays O/S 8⅛ 98	260	98	98½	0	+0⅛	8.33
Beatrice Foods 7¼ 93	130	103⅛	103⅝	0	−0½	7.23
B.F.C.E. 8¼ 90	150	100⅜	100⅞	−0⅛	−0⅛	8.11
Dresdner Finance 4 90 WW	250	106½	107¼	+0⅛	−1⅛	2.79
Dresdner Finance 4 90 XW	250	82⅝	83⅜	0	−0⅜	7.35
E.C.S.C. 8 90	160	98⅝	99⅛	−0⅜	−0⅛	8.06
E.E.C. 8⅛ 93	250	98⅜	98⅞	0	−1⅛	8.45
E.I.B. 8 93	200	98¼	98¾	+0⅛	+0⅛	8.22
Eurofima 7½ 90	100	99¾	100¼	−0⅛	−0⅜	7.49
Europarat 8⅛ 93	150	99⅛	99⅝	0	−0¼	8.32
Finland Rep 8 90	150	98⅛	98⅝	−0⅛	+0⅛	8.31
Int Standard Ele 7¾ 93	100	102⅛	102⅝	−0¼	−0⅛	7.37
Ireland 8⅝ 91	150	99⅝	100⅛	−0⅛	−0⅜	8.64
Japan Dev Bank 7½ 90	100	100¾	101¼	−0⅛	−0⅛	7.27
L.T.C.B. 8 90	100	100¼	100¾	−0⅛	−0⅜	7.89
Renault Acceptance 8 90	150	98	98½	0	−0¼	8.34
S.B.R. France 7⅞ 93	100	96⅝	97⅛	−0⅛	−0½	8.35
Sth African Tran 8¼ 90	100	98½	99	−0⅛	−0⅜	8.49
World Bank 7½ 90	250	97⅝	98⅛	0	−0¼	7.92
World Bank 7⅞ 89	300	98⅜	99⅛	0	−0⅞	8.06

Av. price changes: on day 0, on week −½

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amax O/S Fin 7¼ 91	57	78½	78¾	0	−0⅜	11.50
Bank of Tokyo 6 91	100	102¼	102½	0	+0⅛	5.61
Bergen, City of 5¾ 95	40	100	100¼	−0⅛	+0⅛	5.73
Denmark 6⅝ 91	100†	101½	102	0	+0½	6.87
E.E.C. 6 93	100	100⅝	101⅛	−0¼	−0⅜	5.86
Europarat 6⅛ 93	100	98½	98¾	+0⅛	−0½	6.31
Ind Fond Finland 6¼ 91	40†	101½	102	0	0	5.95
Int-Am Dev Bk 6 93	100	98¼	98½	−0¼	−0¼	6.22
Ireland 6½ 93	80	99¾	100	+0¼	+0⅜	6.52
Japan Dev Bank 5⅞ 93	100	102½	102¾	0	+0⅛	5.52
Jap Highway Pub 5⅝ 91	100	100	100¼	+0¼	+0⅛	5.60
Kansai Ele Power 6 91	100†	102½	103	+0⅛	+0⅛	5.54
Kawasaki Steel 6⅛ 91	100	100½	100¾	−0⅜	0	6.01
Manitoba Prov 5½ 93	100	101	101¼	0	+0¼	5.35
Mont Blanc Tunl 6⅜ 93	35†	102½	103	+0½	−0⅜	5.99
Mount Isa Finance 6 93	100†	102	102½	+0⅛	−0¼	5.68
MTG Bk Denmark 6¼ 91	80	99¼	99½	0	0	6.35
New Brunswick 5¾ 93	100	101¼	101½	−0½	−0⅜	5.56
Nippon Tel & Tel 5¾ 93	100	102	102¼	0	−0⅛	5.47
Nisshin Steel 6⅛ 91	100	100⅛	100⅜	−0⅛	−0⅛	6.20
Oster Post 6⅛ 91	100	103	103¼	+0⅜	+0⅜	5.60
Quebec Province 5⅝ 93	100	99⅝	99⅞	+0⅛	−0⅛	5.66
Shikoku Elec Power 6 91	100	102	102¼	+0¼	−0¼	5.66
Sumitomo Heavy Ind 6 91	100	102½	102⅞	+0⅜	+1½	5.63
Tokyo Elec Power 5⅞ 91	100	102½	102¾	+0⅛	0	5.45
Trizec Corp 6⅛ 93	100	100	100¼	0	+0⅛	6.19

Av. price changes: on day 0, on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅛ 92	15	106¼	107	+0⅛	+0⅛	7.56
E.I.B. 8¼ 92	15	103	103¾	0	−0⅛	7.68
Int-Am Dev Bk 7⅛ 93	15	100¾	101	0	+0¼	7.78
New Zealand 7⅝ 89	15	102½	103⅛	+0⅛	0	6.81
World Bank 7⅝ 93	20	100¼	100¾	−0⅛	+0⅛	7.55

Av. price changes: on day 0, on week −½

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Farm Credit 12¼ 90 CS	75†	100¼	100¾	0	−0⅛	12.11
Loblaw 12½ 90 CS	35†	97¾	98¼	0	0	12.86
TD MTG Corp 12½ 88 CS	40†	100⅞	101⅛	0	−0⅛	12.17
Quebec Hydro 12¾ 93 CS	50†	101¼	101¾	0	−0⅜	12.46
Royal Trstco 12⅝ 88 CS	50†	101	101½	0	−0¼	12.26
World Bank 12¼ 90 CS	75†	100	100½	−0⅛	−0¼	12.17
Xerox Canada 12 88 CS	40†	102⅛	102⅝	0	+0⅛	11.28
E.I.B. 11⅛ 93 ECU	50	100½	101¼	+0⅛	+0⅜	10.97
Genfinance 11 90 ECU	60	98⅞	99½	+0¼	+0½	11.17
Algemene Bank 8⅛ 88 Fl	150	102⅞	103⅜	+0⅜	+0⅜	7.50
Bank Mees & Hope 9 88 Fl	75	103	103½	−0⅛	0	8.13
Elect Sup Brd 8⅛ 88 Fl	75	97⅜	97⅞	+0⅛	0	8.48
P.H.P. 8⅛ 88 Fl	50	102¼	102¾	0	+0⅜	8.07
Swed Exp Cred 7¾ 88 Fl	100	95⅛	95⅝	0	+0⅛	8.74
World Bank 9 88 Fl	100	103⅛	103⅝	+0⅛	0	8.09
O.K.B. 14 86 FF	400	101⅛	102⅛	0	+0¼	13.82
Solvay & Cie 14¾ 86 FF	200	102½	103⅜	0	+0⅛	13.23
B.F.C.E. 11½ 88 £	50	98⅞	99⅜	0	−0¼	11.72
British Oxyg 11¾ 91 £	50	99⅞	100⅜	+0⅛	+0⅛	11.68
CEPME 11¼ 95 £	35	102⅞	103⅜	+0⅜	+1⅛	10.78
CIBA-Geigy Int 8¾ 93 £	25	97½	99¼	0	−0⅜	8.98
E.E.C. 11⅞ 91 £	50	100⅝	101⅛	0	−0⅜	11.64
E.E.C. 11⅝ 93 £	50	100¾	101¼	−0¼	−0¼	11.66
Fin For Ind 10½ 98 £	20	94⅞	95⅜	−0⅛	−0¼	11.58
Finland Rep 11⅞ 88 £	50	100¼	100¾	−0⅛	−0⅛	11.70
Gen Elec Co 12½ 89 £	50	103⅞	104⅜	0	0	11.34
I.I.I. 10⅝ 93 £	25	94⅞	95⅜	−0¼	−0⅜	11.50
I.I.I. 11½ 91 WW £	50†	99¼	100¼	0	−0¼	11.55
Mort Bk Fin 11¾ 88 £	15	98	99	−0⅛	−0¼	12.11
Norsk Hydro 12 90 £	30	100½	101¼	0	−0⅛	11.77
Sweden 11¼ 93 £	50	98	98¾	+0⅛	0	11.51
Swed Exp Cred 11¼ 88 £	30	98⅞	99½	0	−0¼	11.57
World Bank 11⅛ 88 £	100	98½	99¼	−0¼	−0⅜	11.41
Eurofima 10 91 LuxFr	600	98¼	100⅛	0	−0⅜	10.06
Europarat 10¾ 93 LuxFr	600	100⅛	101⅛	0	−0½	10.62

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
B.F.C.E. 5¼ 88	0⅛	99½	99¾	20/1	10.10	10.21
Caisse Nat Tels 5¼ 98	0¼	99¼	99½	21/4	10	10.05
C.C.F. 5¼ 95	0¼	99⅜	99⅝	7/4	9.94	9.98
C.C.F. 5¼ 98	0¼	99⅞	100	24/3	10.19	10.20
Cepme 5¼ 88 WW	0¼	99⅞	100⅛	3/3	10.31	10.31
Cepme 5¼ 92	0¼	99⅞	100⅛	10/12	10½	10.50
Chemical NY 5¼ 94 ††	0¼	100⅛	100⅜	23/12	10	10.00
C.N.C.A. 5¼ 95 XW	0¼	99½	99¾	7/6	10½	10.54
C.N.T. 5¼ 91	0¼	99⅝	99⅞	8/5	10.19	10.24
Credit Foncier 5¼ 93	0¼	99½	99¾	6/4	10	10.04
Credit Lyonnais 5¼ 94	0¼	99½	99¾	5/1	10.31	10.35
Credit Lyonnais 5¼ 97	0¼	99⅜	99⅝	1/4	10	10.05
Denmark 5¼ 90	0¼	99¼	99½	13/4	10	10.06
Dresdner Fin 5¼ 93 XW	0⅛	99⅞	100⅛	19/4	9.94	9.94
E.D.F. 5¼ 95 XW	0¼	99⅞	100	10/2	11⅜	11.39
E.E.C. 5 90	0⅛	99⅞	100⅛	5/1	10.19	10.19
First Interstate 5¼ 85	0⅛	99⅞	99⅞	8/3	5¼	5.29
GZB 5¼ 98	0¼	99⅜	99⅝	29/5	5¼	5.28
Hispano 5¼ 95	0¼	97¾	98	28/4	10	10.22
NZ Steel Dev 5¼ 92	0¼	99⅞	100⅛	22/12	10¼	10.24
Saitama Int 5¼ 93	0¼	99⅞	100⅛	5/6	5¼	5.25
Soc Generale 5¼ 90 XW	0¼	99½	99¾	9/5	10.31	10.35
Société Générale 5¼ 95	0¼	99¾	100	1/3	10.94	10.95
Sweden 5¼ 93	0¼	100⅛	100⅜	3/2	11.19	11.16
Sweden 5¼ 2003	0¼	99¼	99½	17/5	5¼	5.28

Av. price changes: on day −⅛, on week 0

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Bridgestone Tire 5½ 96	3/82	470	123½	125	−0⅜	8.34
Canon 7 97	7/82	688.2	233⅝	235⅝	−1	0.60
Daiwa Sec Co 5½ 98	10/83	481.8	96¼	97¼	−0¼	−2.01
Fanuc 3¾ 98	1/84	9142	114⅝	115⅝	−4⅛	−3.17
Hitachi Cable 5½ 98	2/82	515	105⅛	106⅝	+0⅛	1.52
Honda Motor 5¼ 98	6/83	894	123¾	124¾	−2⅜	−2.72
Honda Motor 5½ 97	3/83	759.6	144½	146	−2¼	−2.73
Konishiroku Photo 4 98	10/83	873	96¾	97¾	−1½	4.23
Kyowa Hakko 6¼ 97	2/83	762	108	108½	−1	12.06
Minebea Co Ltd. 5½ 98	5/83	667	106½	107⅛	−0⅜	−0.31
Mitsubishi Electric 5⅛ 98	6/83	396	106¼	107¼	−1⅝	2.71
Nippon Electric 5¼ 97	2/82	785.9	173⅜	175⅜	−2⅜	−1.31
Nippon Oil Co 5½ 98	4/83	964	111½	112½	−0⅛	10.87
Nissan Motor 5¼ 98	4/83	790	104⅜	106	−1⅛	−0.37
Olympus Optical 6⅜ 97	12/82	1157	104⅛	105⅝	+0½	5.86
Orient Finance 5⅛ 97	3/82	927.2	91¼	92¼	+0⅛	10.26
Orient Leasing 5⅛ 98	6/83	2690	86½	87½	+0⅛	1.32
Secom 5 98	11/83	2528	135⅞	136⅞	−3⅛	−4.18
Yamaichi Sec Co 5 98	8/83	449.5	95⅝	96⅞	0	−1.77
Yamanouchi Pharm'cal 4 90	10/83	1888	98	99	−0½	9.79
Bridge Oil 4¾ 93 SF	3/84	3.43	100⅝	102⅝	−0⅛	24.12
Settsu Paper 3⅝ 93 SF	9/83	716	101	103	+0⅛	13.18
Asics 5 92 DM	12/83	620	108⅝	109⅝	+0⅛	7.14
Konishiroku 5¼ 88 DM	6/82	618	121⅛	122⅛	−0¼	0.74
Sun Realty 6¼ 92 DM	2/83	365	127⅝	128⅝	0	−4.87

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn – current coupon. Cu. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.